

Table of Contents

State/Territory Name: New Mexico

State Plan Amendment (SPA) #: 16-0002

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved Page

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Dallas Regional Office
1301 Young Street, Suite 833
Dallas, Texas 75202



DIVISION OF MEDICAID & CHILDREN'S HEALTH - REGION VI

March 2, 2017

Our Reference: SPA NM 16-0002

Ms. Nancy Smith-Leslie, Director
Medical Assistance Division
New Mexico Department of Human Services
P.O. Box 2348
Santa Fe, New Mexico 87504

Dear Ms. Smith-Leslie,

We have reviewed the State's proposed amendment to your Medicaid State Plan submitted under Transmittal Number (TN) 16-0002, dated March 8, 2016. This state plan amendment establishes an alternate payment methodology for federally qualified health centers (FQHC) that train primary care resident physicians.

Based on the information submitted, we have approved the amendment for incorporation into the official New Mexico state Plan with an effective date of January 1, 2016, as requested. A copy of the CMS-179 and the approved plan pages are included with this letter.



If you have any questions please contact Ford Blunt of my staff. Mr. Blunt may be reached at (214) 767-6381 or by E-mail at Ford.Blunt@cms.hhs.gov.

Sincerely,

A black rectangular box redacting the signature of Bill Brooks.

Bill Brooks
Associate Regional Administrator

cc: Jennifer Mondragon

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		16-02	2. STATE New Mexico
FOR: HEALTH CARE FINANCING ADMINISTRATION		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE January 1, 2016	
5. TYPE OF PLAN MATERIAL (<i>Check One</i>): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (<i>Separate Transmittal for each amendment</i>)			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 447 Subpart F		7. FEDERAL BUDGET IMPACT: for FFY 2016: \$574,638 for FFY 2017: \$191,596	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19 B page 7e (contains new material)		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>): Attachment 4.19 B page 7e (approved 6/12/2001 NM SPA 01-02)	
10. SUBJECT OF AMENDMENT: Alternate Payment Methodology for FQHCs that Train Primary Care Resident Physicians			
11. GOVERNOR'S REVIEW (<i>Check One</i>): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL		X OTHER, AS SPECIFIED: Authority Delegated to the Medicaid Director.	
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO: Nancy Smith-Leslie, Director Medical Assistance Division P.O. Box 2348 Santa Fe, NM 87504 - 2348	
13. TYPED NAME: Nancy Smith-Leslie			
14. TITLE: Director, Medical Assistance Division			
15. DATE SUBMITTED: March 8, 2016, revised December 2, 2016			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: March 10, 2016		18. DATE APPROVED: March 2, 2017	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: January 1, 2016		20. SIGNATURE: 	
21. TYPED NAME: Bill Brooks		22. TITLE: Associate Regional Administrator Division of Medicaid and Children's Health	
23. REMARKS:			

The reports could be used to assist in the evaluation of a change in scope of service, to assist in setting the initial PPS rate for anew FQHC and RHC, and for other purposes.

j. Alternate Payment Methodology for Primary Care Residencies:

Beginning January 1, 2016, FQHCs that train primary care resident physicians at the FQHC are eligible for an alternate payment methodology that will enhance the PPS rate.

A primary care resident physician is an individual with a New Mexico post graduate training license who is enrolled in a New Mexico primary care residency program.

The alternate payments are limited to the six FQHCs with the highest percentages of Medicaid recipients, based on data from the health center Uniform Data System (UDS) for the previous calendar year. The Department will post this information on its website on an annual basis.

- i. In order to be eligible for the alternate payment, the FQHC must complete an agreement with the state agency under which the FQHC will report, on a quarterly basis, the hours worked by primary care resident physicians and the percentage of patients treated at the FQHC who are Medicaid eligible at the time of service. The agreement will include a statement that both the FQHC and the Department agree to all provisions for the alternate payment and require an attestation from the FQHC that enhanced funding paid under this provision will not supplant or duplicate residency funding paid by the Medicare program. Prior to the Department's approval of the agreement, the FQHC must provide their agreement with the sponsoring hospital.

For each FQHC:

Medicaid FTE = Total FTEs x ratio of Medicaid patients to all patients

- ii. The alternate payment is made through a settlement process based on the number of hours worked by primary care resident physicians, which is multiplied by the resident physician's hourly rate, and which is multiplied by the ratio of the Medicaid encounters to all encounters for the time period.
- iii. The payment to an FQHC for primary care resident physicians will not exceed an FQHC's Medicaid share for training primary care resident physicians, as calculated in subparagraph (i), above; divided by the total of all participating FQHCs' Medicaid share for training primary care resident physicians, which results in a percentage.
- iv. Alternate payments made in accordance with this methodology will be distributed on a quarterly basis.

State: New Mexico
Date Received: 03-08-2016
Date Approved: 03-02-2017
Date Effective 01-01-2016
Transmittal Number: NM 16-0002