October 15, 2021

Jennifer Bowdoin  
Director, Division of Community Systems Transformation  
Center for Medicare and Medicaid Services  
7500 Security Boulevard, Mail Stop S2-26-12  
Baltimore, Maryland 21244-1850

Dear Director Bowdoin,

The New Mexico Human Services Department, Medical Assistance Division received the Centers for Medicare & Medicaid Services’ (CMS) Request for Additional Information (RAI) on September 27, 2021. We appreciate the opportunity to provide additional information on New Mexico’s section 9817 initial spending plan and narrative. This letter serves as our formal response to CMS’ RAI. In addition, New Mexico agrees to comply with program requirements as stated in State Medicaid Director Letter (SMDL) #21-003 and continues to provide the following assurances:

- The state is using the federal funds attributable to the increased federal medical assistance percentage (FMAP) to supplement and not supplant existing state funds expended for Medicaid Home and Community Based Services (HCBS) in effect as of April 1, 2021;
- The state is using the state funds equivalent to the amount of federal funds attributable to the increased FMAP to implement or supplement the implementation of one or more activities to enhance, expand, or strengthen HCBS under the Medicaid program;
- The state is not imposing stricter eligibility standards, methodologies, or procedures for HCBS programs and services than were in place on April 1, 2021;
- The state is preserving covered HCBS, including the services themselves and the amount, duration, and scope of those services, in effect as of April 1, 2021; and
- The state is maintaining HCBS provider payments at a rate no less than those in place as of April 1, 2021.

New Mexico has provided two exhibits in response to the RAI as well as redlined changes to the initial spending plan. **Exhibit A.** includes a table that outlines the following elements for each proposal:

- Number: New Mexico has modified its numbering convention to include the identified pillar that guides our spending objectives and includes the corresponding proposal number. For example: W.1
represents New Mexico’s proposal 1 under the Workforce pillar as identified in our initial spending plan and narrative.

- **Phase:** Each proposal includes a Phase 1, 2, or 3 designation based on implementation readiness. Phase 1 activities are those ready to implement and have known estimated expenditures. Phase 2 activities are those that are still being operationalized and estimated expenditures are under development. Phase 3 activities are proposals that require further stakeholder engagement and development. New Mexico is requesting partial approval for proposals identified as Phase 1.

- **Activity:** Identifies the proposal included in New Mexico’s initial spending plan and narrative.

- **Efforts to Expand, Enhance, and Strengthen HCBS:** Includes the details CMS requested for each proposal that explains how the activities will enhance, expand, or strengthen HCBS under Medicaid. If any of the activities are not focused on providers that are delivering services listed in Appendix B of the SMDL or that could be listed in Appendix B of the SMDL, the additional information is being provided.

- **Estimated Expenditures:** Includes the estimated cost for each activity identified in the proposals to enhance, expand, or strengthen HCBS under the Medicaid program.

- **Administrative in Nature:** Identifies proposals that are administrative in nature and not considered HCBS as defined under section 9817(a)(2)(B) of the ARP and described in Appendix B of the SMDL.

**Exhibit B.** includes a table that captures each of CMS’ requests for additional information including whether the following proposals are targeted at providers delivering services that are listed in Appendix B of the SMDL or that could be listed in Appendix B of the SMDL. Proposals include: Temporary Economic Recovery Payment; Training Program; School-Based Investments; Grant Program to Increase HCBS Workforce; Behavioral Health Community Based Services Economic Recovery and Network Establishment Investment; Supportive Housing Units; Closed Loop Referral System; and High-Fidelity Wraparound Expansion. This Exhibit also provides either complete or preliminary responses to each CMS request. Complete responses are provided for developed priority proposals on items identified by CMS as most critical to obtain partial approval, per our technical assistance call conducted October 13, 2021. Preliminary responses will be comprehensively addressed as the State gathers the additional information and obtains clarification from CMS based on questions submitted October 8, 2021 and October 14, 2021. The State will capture these updates in subsequent quarterly spending plan and narrative submissions.

Furthermore, New Mexico affirms understanding of requirements outlined in CMS’ RAI, including:

- The approval of the spending plan or of any activities within the spending plan by CMS does not constitute approval for purposes of claiming federal financial participation for ongoing internet connectivity costs or capital investment costs as identified in the RAI for specific proposals.
- New Mexico will not pay for room and board, which is not found to be a permissible use of funds as part of the Supportive Housing Units proposal.

We look forward to our continued partnership to provide person-centered care delivered in the home or community to support Medicaid beneficiaries who need assistance with activities of daily living. We
appreciate CMS’ support to strengthen New Mexico’s caregiver workforce and facilitate greater access to HCBS, thereby ensuring health equity, and reducing health disparities. Please feel free to contact New Mexico’s designated point of contact, Valerie Tapia with questions or concerns at [Redacted].

Sincerely,

Nicole Comeaux, J.D., M.P.H.
Director, Medical Assistance Division