HEALTH CARE
AUTHORITY

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November 2, 2026

Dan Brillman
Deputy Administrator and Director
Centers for Medicare & Medicaid Services
Center for Medicaid and CHIP Services
7500 Security Boulevard, Mail Stop S2-25-26
Baltimore, Maryland 21244-1850

Dear Deputy Administrator and Director:

The New Mexico Health Care Authority, Medical Assistance Division received the Centers for Medicare & Medicaid Services' (CMS) advance notice to change New Mexico's "Turquoise Care" section 1115 demonstration, (Project Number 11-W00285/6), to conform with section 1903(v)(5) of the Social Security Act (Act) as added by section 71109 of the Working Families Tax Cut (WFTC) legislation (Public Law 119-21) and CMS guidance related to the section of the Act. Due to an email transmission issue, New Mexico received the official notice with updated Special Terms and Conditions (STCs) from CMS by email on October 29, 2026, despite CMS' efforts to provide the official notice with updated STCs to New Mexico on September 25, 2026, prior to publication.

New Mexico accepts the following conforming changes to the demonstration's special terms and conditions (STCs) as authorized under STC 3.3:

- Changes are effective October 1, 2026, through December 31, 2029, to align with the implementation timeline for the new statutory requirement.
- The addition of Attachment P and subsection (i) to STC 4.8.a, aligning section 1115 expanded continuous eligibility authorities with section 71109 changes.
- For current Medicaid beneficiaries in an expanded continuous eligibility period, beginning October 1, 2026, New Mexico must apply Federal Financial Participation (FFP) limitations under section 1903(v)(5) of the Act.
- FFP is limited to payment for emergency Medicaid coverage during the remainder of the expanded continuous eligibility period for such Medicaid beneficiaries who are not U.S. citizens or nationals, Lawful Permanent Residents (LPRs), Cuban/Haitian entrants, or Compact of Free Association (COFA) migrants and are not eligible as a child or pregnant woman who is lawfully residing in the U.S. under New Mexico's election of the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA) 214 option in accordance with section 1903(v)(4) of the Act.

New Mexico provides the following acknowledgements and assurances to CMS:

- Unless renewed or amended, all authorities granted to operate the demonstration will expire on December 31, 2029.
- New Mexico will, within the timeframes specified in federal law, regulation, or policy statement, come into compliance with the changes in law, regulation, or policy affecting the Medicaid program that will occur during the demonstration approval period.

- CMS is amending the STCs to reflect such changes without requiring New Mexico to submit an amendment.
- The 1115(a) demonstration action is subject to the limitations specified in Attachment P, which is appended to the demonstration's STCs and is considered part of the broader set of STCs that were approved on May 27, 2026, for the Turquoise Care demonstration and will be incorporated into the full STCs at a future approval action for the demonstration.
- Attachment P governs any supplemental attachments defining the nature, character, and extent of federal involvement in the demonstration.
- Program integrity obligations under federal statutes and regulations, and under the terms and conditions of the demonstration approval will continue to be met.
- New Mexico will apply the FFP limitations under section 1903(v)(5) of the Act and for Medicaid applicants and current Medicaid beneficiaries who are not U.S. citizens or U.S. nationals, LPRs, Cuban/Haitian entrants, or COFA migrants, and are not lawfully residing children and pregnant women eligible under New Mexico's election of the CHIPRA 214 option, FFP will remain available for emergency Medicaid coverage for such individuals in accordance with section 1903(v)(5) of the Act beginning October 1, 2026, and for the remainder of the expanded continuous eligibility period.
- Populations receiving expanded continuous eligibility under section 1115(a)(2) expenditure authority in New Mexico's Turquoise Care demonstration are subject to the new requirement beginning October 1, 2026.
- Attachment P affirms that the FFP limitation under section 1903(v)(5) of the Act is applicable to New Mexico's expanded continuous eligibility authority in the Turquoise Care demonstration.
- There is no change to budget neutrality for this action.
- Monitoring and evaluation activities will be addressed, as appropriate, to implement the conforming changes.
- The action for the demonstration is conditioned upon compliance with the previously approved waivers, expenditure authorities, and STCs.

We appreciate CMS' continued support and partnership to protect program integrity, ensure accurate eligibility determinations, and ensure proper claiming of FFP. For questions concerning New Mexico's written acceptance, please contact CMS Liaison and Waiver Manager, Chrissy Kupferschmidt at 505-795-3951 or Christina.Kupfersch@hca.nm.gov.

Sincerely,

[redacted]

Alanna Dancis, CNP, RN, DNP
Acting Medicaid Director
Medical Assistance Division

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