

Spending Plan for the Implementation of the American Rescue Plan Act of 2021, Section 9817: Quarterly Update

Additional Support for Medicaid Home and Community-Based Services



State of New Mexico
Medical Assistance Division

February 15, 2022

INVESTING FOR TOMORROW, DELIVERING TODAY.

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I. Letter from the State Medicaid Director



February 15, 2022

Daniel Tsai, Deputy Administrator and Director
Center for Medicaid and CHIP Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850

Dear Deputy Administrator and Director:

On behalf of the State of New Mexico and the Human Services Department (HSD), Medical Assistance Division, thank you for providing partial approval of the Home and Community-Based Services (HCBS) Spending Plan on November 5, 2021 and conditional approval on three critical proposals on February 8, 2022. Please find the quarterly update to our HCBS Spending Plan and Narrative that describes HSD's intended use of funding available under the American Rescue Plan Act (ARPA) of 2021, Section 9817. This quarterly update incorporates HSD's responses to the Center for Medicare and Medicaid Services' (CMS) Request for Additional Information (RAI), partial approval, and conditional approval. Highlighted yellow are responses and additional updates since HSD's initial submission. Highlighted blue are newly added proposals based on stakeholder feedback received, which still requires CMS approval. In addition, New Mexico confirms 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 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

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- The state is maintaining HCBS provider payments at a rate no less than those in place as of April 1, 2021.
- The state's activities to enhance, expand, or strengthen HCBS under ARP Section 9817 are not focused on services other than those listed in Appendix B of the State Medicaid Director Letter (SMDL) or that could be listed in Appendix B (e.g., behavioral health services that are covered under another benefit but could be covered under the rehabilitative services benefit). Providers are not delivering institutional Long-Term Services and Supports, or other medical or behavioral health services not listed in Appendix B (e.g., acute care hospital, primary care).
- HSD will notify CMS as soon as possible if New Mexico's activities to expand, enhance, or strengthen HCBS under ARP section 9817 are focused on services other than those listed in Appendix B, C and/or D, in order for CMS to verify whether they are permissible.
- HSD will not pay for room and board, which is not found to be a permissible use of funds as part of our Supportive Housing Units proposal.
- HSD will not pay for ongoing internet connectivity costs.
- 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 (FFP).

New Mexico has designated a state point of contact, Valerie Tapia, who will ensure that quarterly spending plans and narratives are provided along with any associated reporting. Please contact Valerie Tapia by email at [REDACTED] or by telephone at [REDACTED] with any questions.

Sincerely,

[REDACTED]

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

II. Executive Summary

New Mexico's Medicaid and CHIP programs serve approximately 962,057 beneficiaries with 82.7% of those enrolled in managed care, with a total budget estimated at \$8.0 billion for fiscal year 2022. Medicaid and CHIP coverage is primarily delivered through an integrated, comprehensive Medicaid delivery system, known as Centennial Care, in which Managed Care Organizations (MCOs) are responsible for coordinating the full array of services, including acute care (including pharmacy), behavioral health services, institutional services, and HCBS. New Mexico is a leader in ensuring access to HCBS and has implemented policies that have resulted in 89% of our members with a Nursing Facility Level of Care receiving services in the community, leaving less than 11% in facility settings. The intent of Section 9817 of ARPA closely aligns with the established goals of Centennial Care and HSD stands committed to ensuring the targeted activities outlined in our spending plan continue to address specific gaps in care and improve health outcomes for our most vulnerable HCBS populations.

Section 9817 of the ARPA provides states with a temporary 10 percentage point increase to the FMAP for certain Medicaid expenditures for HCBS. These services are person-centered care delivered in the home or community to support people who need assistance with activities of daily living.

The enhanced federal funding provides New Mexico with an historic opportunity to make both short and long-term investments in our programs that serve the most vulnerable New Mexicans, including those who are aging, disabled, and with severe behavioral health needs. Our proposed spending plan will strengthen the caregiver workforce and facilitate greater access to HCBS, thereby ensuring health equity, and reducing health disparities.

In developing our plan, the Medical Assistance Division (MAD) obtained input from subject matter experts within the division as well as from HCBS provider organizations, advocacy groups, other HSD divisions, sister state agencies, and individuals. Our proposal reflects the recommendations that we received. We propose to use federal funds attributed to the increased FMAP to supplement, not supplant, existing state funds expended for Medicaid HCBS in effect as of April 1, 2021, in both fee-for-service and managed care. Our commitment remains to strengthen our program through implementing activities that support the following four pillars:

- Investing in our Medicaid HCBS workforce
- Expanding our HCBS infrastructure
- Improving and expanding access to HCBS services through navigation systems
- Providing new and/or expanding existing HCBS services

HSD remains committed to continue engagement with our sister agencies in the implementation of the spending plan as it touches their direct constituents. This plan reflects input and collaboration with the following divisions and agencies:

- Office of the Secretary
- Medical Assistance Division (MAD)
- Behavioral Health Services Division (BHSD)

- Administrative Services Division (ASD)
- Information Technology Division (ITD)
- Aging and Long-Term Services Department (ALTSD)
- Department of Health (DOH)
- Children, Youth and Families Department (CYFD)

III. Stakeholder Input

New Mexico is committed to stakeholder feedback in our program and policy development, including feedback on proposed activities for the enhanced funding of HCBS services. From March 2021 through January 2022, HSD has been actively engaging with key HCBS stakeholders seeking feedback on how funding may be used to support their programs, asking them to think creatively about this new opportunity. HSD has had the following engagements to date:

- Stakeholder session on the ARPA HCBS funding opportunity on July 1, 2021, providing key stakeholders with an opportunity to review the initial spending plan and obtain additional public comment.
- Medicaid Advisory Committee (MAC) meeting on August 9, 2021 dedicating time to update the committee and interested parties on the spending plan and obtain additional feedback.
- Separate stakeholder meetings to gather recommendations.

Through these various engagements, New Mexico received feedback from individuals as well as stakeholders, including:

- Medicaid Advisory Committee (MAC)
- The Disability Coalition, Disability Rights New Mexico, and other disability advocacy groups and citizens
- Senior Citizens Law Office (SCLO)
- Providers and provider associations
- The Program for All-Inclusive Care for the Elderly (PACE)
- Family/caregiver advocacy groups, including SeniorLink and New Mexico Caregivers Coalition
- School-Based Health Centers (SBHCs)
- Managed Care Organizations (MCOs)
- University of New Mexico, Center for Development & Disability

HSD continues to provide updates and coordinate with the Governor's Office, Legislative Finance Committee, Department of Finance and Administration, and Legislative Health and Human Services Committee regarding proposal prioritization, expenditures, appropriations, and sustainability planning.

Ideas generated by stakeholders

Stakeholders provided input on how to use funding to enhance, expand, or strengthen Home and Community Based Services (HCBS), which influenced HSD's initial spending plan as well as this quarterly update. These ideas include, but are not limited to:

- Increase funding for consumer-directed programs
- Expand the definition of family so additional members providing care can be paid
- Increase funding for respite care
- Increase direct care worker payment rates
- Support additional hazard, overtime, or shift differential pay
- Additional funding for assistive technology
- Enhance payments to cover transition costs from institutions to home settings
- Promote cross-sector partnerships and consider adding benefits that address social determinants of health (SDOH) and other non-medical needs
- Expedite access to HCBS by serving more individuals on the 1915(c) waiting lists
- Establish an HCBS ombudsman program
- Add or increase certain HCBS benefits to promote community inclusion
- Reimburse school nurses as the initiator of telehealth services
- Infrastructure changes and PPE to protect residents, staff and families
- Annual training and education for staff
- Increase HCBS provider rates
- Conduct HCBS provider rate studies

Public Comments

HSD posted on its website notice of opportunity to comment on HSD's initial HCBS Spending Plan and Narrative. Interested parties were provided a 30-day public comment period from July 14, 2021 through August 18, 2021 to submit comments by email or mail.

Through the public comment period, HSD received feedback supporting the various proposals across the Workforce, Infrastructure, Navigation, and Services Pillars. Several commenters requested more detail in the spending plan and the activities described, which have been addressed in this quarterly update. Commenters provided suggestions on HSD's phased approach for implementation, which will be continuously evaluated by HSD with each quarterly spend plan submission and stakeholder engagement. Commenters also suggested the creation of a vision or roadmap for this redesign of HCBS activities. HSD will be outlining a workplan that prioritizes proposal implementation and will continue to be strategic in using these funds to effect long-term changes for the State and benefit for our members.

Several commenters noted their strong support for adding slots to both the Community Benefit program and the Developmental Disabilities (DD) Waiver, pointing out that applicants wait a considerable amount of time for services. These commenters also noted their hope that HSD would expand beyond the 1,000 Community Benefit slots and the 400 slots for the DD Waiver. HSD has committed to increasing the number of slots added to each program as part of this quarterly update.

Commenters also shared positive feedback on the activities proposed in the Workforce Pillar. Ideas shared that remain under consideration by HSD include support towards developing a specific career path for direct care workers, which may include components such as training, coaching/mentorship, and fair wages and benefits.

Finally, commenters shared other ideas outside of those activities proposed that could benefit the big picture of HCBS in New Mexico, including a PACE expansion, a Supports Waiver-like program to provide personal care to older adults and adults with disabilities, initiatives to help nursing facilities transition their business model to become HCBS providers, and additional supports to family caregivers. HSD will continue to evaluate these options, including priorities of the State with necessary sustainability planning, and will update the spending plan as new activities are identified for funding.

Tribal Input

New Mexico has 23 federally recognized tribes and 12 Indian Health Service clinics serving our Native Americans in New Mexico. HSD stands committed to involving our tribal partners in our policy and program development and this includes seeking input on HCBS enhancements. HSD announced this opportunity at the Native American Technical Advisory Committee (NATAC) meeting on May 24, 2021 seeking input on their ideas on HCBS funding opportunities. HSD has had the following engagements to date:

- Tribal Medicaid Advisory Committee representation was invited to participate in the Stakeholder Session held on July 1, 2021.
- Additional NATAC meeting held on October 1, 2021 devoting time seeking additional input from our tribal partners throughout this process.
- HSD is working in collaboration with the ALTSD, Office of Indian Elder Affairs (OIEA). The OIEA manages contracting for Adult Day Care (ADC) Facilities with five of New Mexico's Pueblos – Isleta, Santa Clara, Zuni, Santa Ana, and Taos. Each of these Pueblos have the potential to add HCBS to their programs. Each have indicated an interest and the Department is awaiting guidance from the pueblos regarding desired timeline for additional engagement and proposal development.
- Outreach and education efforts to Tribal Nations and Pueblos, which included email notification of the HCBS spending plan through tribal notification, introduction, and updates of the spending plan during NATAC meetings.
- Providing additional updates and seeking additional input at the Indian Affairs Department bi-weekly Tribal leaders meetings.

- Individual outreach to tribes that have expressed an interest in providing feedback and receiving funding for possible services in tribal communities.
- The Pueblos of Santo Domingo, San Felipe, and Cochiti requested a meeting with the ALTSD Cabinet Secretary, Katrina Hotrum-Lopez and HSD Leadership, which was held on November 16, 2021 to discuss the potential of developing an Adult Day Care facility near the KEWA Clinic to serve the three Pueblos.

The development of these services among all interested tribal entities will require technical and programming support, which can be provided through these various HCBS proposals.

IV. Spending Plan Narrative

New Mexico is submitting its quarterly HCBS spending narrative to CMS that provides information on the state's proposed ARPA section 9817 activities and the connection between the spending plan projection and the scope of the activities. New Mexico's activities enhance, expand, and/or strengthen HCBS under the state's Medicaid program, and include short-term activities that will be implemented in response to the COVID-19 public health emergency (PHE), as well as longer-term strategies that will have an impact on sustaining effective programs and services, including temporary administrative expenses to support the implementation of these initiatives.

HSD has identified four pillars that guide our spending objectives for enhancing, expanding, and strengthening HCBS under our Medicaid program. The activities within each focus area will be implemented in three phases as HSD continues to gather data and stakeholder input on proposed activities. Each proposal includes Phase 1, 2, or 3 designations based on implementation readiness. Phase 1 are those activities HSD has worked through in greater detail with our stakeholders, sister agencies and the Governor's office, and identified the preliminary costs/spend associated with the proposed activities. These are activities ready to implement and have known estimated expenditures. The Phase 2 activities are those that HSD is continuing to work through with our stakeholders and state partners and is interested in CMS' initial feedback on the proposed activities. These activities are still being operationalized and estimated expenditures are under development. Phase 3 activities are proposals that require further stakeholder engagement and development. Our proposals are categorized under the following pillars, which serve as our guiding principles in our HCBS spending approach:

- Investing in our Medicaid HCBS workforce
- Expanding our HCBS infrastructure
- Improving and expanding access to HCBS services through navigation systems
- Providing new and/or expanding existing HCBS services

On September 27, 2021, CMS issued a Request for Additional Information (RAI) to HSD. On October 16, 2021, HSD responded to the RAI and outlined proposals with the highest priority. On November 5, 2021, CMS provided partial approval to HSD.

On February 3, 2022, HSD submitted an Expedited Request Letter to CMS in response to CMS's partial approval for the following three proposals:

- W.2 – Temporary Economic Recovery Payment
- I.1 – Behavioral Health Community Based Services Economic Recovery and Network Establishment Investment
- S.3 – High Fidelity Wraparound Expansion

On February 8, 2022, CMS provided conditional approval by email of these activities based on the additional information the State provided to CMS. The approval is conditioned upon the State obtaining CMS approval of each of the activities under the applicable Medicaid authority or authorities requested, and upon the State's continued compliance with requirements of the American Rescue Plan Act of 2021 Section 9817 as stated in the State Medicaid Director Letter (SMDL) #21-003. With this quarterly submission, the State has included all the details included in the State's February 3, 2022 letter to CMS, and have indicated that CMS provided the State with conditional approval by email for these three activities on February 8, 2022.

The descriptions of proposed activities and estimated costs that are available have been included in this quarterly update of the spending plan. HSD is reporting zero expenditures for the quarters ending September 30, 2021 and December 31, 2021, as New Mexico recently received partial and conditional approval from CMS.

New Mexico anticipates drawing down the enhanced 10% FMAP dollars in April 2022 through the specified process for the timeframe of April 1, 2021 through March 31, 2022. To date, no activities have been implemented nor HCBS FMAP dollars spent on any activities. As implementation begins, future quarterly submissions will include the dollars spent by quarter and in total on each activity.

The following table summarizes the status of proposed activities in the Spending Plan and the expected Medicaid authorities needed to operationalize activities. It is intended to be used as a guide for CMS review, with hyperlinks to the actual activity descriptions.

The State notes six new activities proposed for the first time in this Quarterly Update to the HCBS Spending Plan:

- W.3 – Training Program (additional activities added)
- W.8 – Increase Statewide Network of Certified Family Peer Support Workers and Peer Support Workers to Support Families and Individuals with Autism Spectrum Disorder (ASD)/Intellectual Developmental Disabilities (IDD)
- I.7 – Regional Interdisciplinary Behavior Support Teams
- I.8 – Electronic Visit Verification (EVV) Enhancement
- I.9 – Strengthen Monitoring of HCBS Waiver Assurances in the Community Benefit
- N.9 – Expand Education and Outreach to those who may qualify for Community Based Services

New Mexico remains committed to ensuring the targeted activities continue to address specific gaps in care and improve health outcomes for our most vulnerable HCBS populations. Section 9817 of the ARPA continues to provide the State with the opportunity to enhance, expand, and strengthen HCBS within our community; however, the process to obtain feedback and approval of outlined proposals has been a lengthy engagement and as a result, the State will evaluate proposals as they are approved by CMS to determine the level of priority and feasibility based on available funding.

Table 1: Summary Table with Status of Each Activity and Federal Authorities Required

Proposal Number	Activity	Status of Activity	Federal Authorities Required
Workforce Pillar			
W.1	Contract for Statewide Needs Assessment and HCBS Provider Capacity Study	CMS Partial Approval on 11/5/21	Administrative activity
W.2	Temporary Economic Recovery Payment	CMS Conditional Approval on 2/8/22	- Disaster State Plan Amendment - Regular State Plan Amendment - Appendix K for each 1915(c) Waiver Impacted 1915(c) Waiver Amendment - MCO Contract Amendment (Included in Contract Amendment #5) - MCO Rate Amendment - Directed Payment Preprint (Submitted December 29, 2021)
W.3	Training Program	Remains under CMS review; requested additional information	None needed
W.4	School-Based Investments	Remains under CMS review; requested additional information Under HSD development	None needed
W.5	Grant Program to Increase HCBS Workforce	Remains under CMS review; requested additional information Under HSD development	None needed

Proposal Number	Activity	Status of Activity	Federal Authorities Required
W.6	Development Funding for Caregiver Cooperative	Remains under CMS review; requested additional information	None needed
W.7	Faculty Endowments for Nursing Schools	Remains under CMS review; requested additional information	None needed
W.8	New Activity: Increase Statewide Network of Certified Family Peer Support Workers and Peer Support Workers to Families and Individuals with Autism Spectrum Disorder (ASD)/Intellectual Developmental Disabilities (IDD)	New activity under CMS review	Under HSD evaluation
Infrastructure Pillar			
I.1	Behavioral Health Community Based Services Economic Recovery and Network Establishment Investment	CMS Conditional Approval on 2/8/22	- Disaster State Plan Amendment - Regular State Plan Amendment - Appendix K for each 1915(c) Waiver Impacted 1915(c) Waiver Amendment - MCO Contract Amendment (Included in Contract Amendment #5) - MCO Rate Amendment - Directed Payment Preprint (Submitted December 29, 2021)
I.2	Adult Day Care Site Funding	Remains under CMS review; requested additional information	None needed
I.3	School-Based Services Infrastructure Investments	Remains under CMS review; requested additional information Under HSD development	None needed
I.4	Supportive Housing Units	Remains under CMS review; requested additional information	None needed

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Proposal Number	Activity	Status of Activity	Federal Authorities Required
		Under HSD development	
I.5	Mi Via Program Changes	Remains under CMS review; requested additional information Under HSD development	None needed
I.6	Preadmission Screening and Resident Review (PASRR)	Remains under CMS review; requested additional information Under HSD development	None needed
I.7	New Activity: Regional Interdisciplinary Behavior Support Teams	New activity under CMS review Under HSD development	Under HSD evaluation
I.8	New Activity: Electronic Visit Verification Enhancement	New activity under CMS review Under HSD development	Under HSD evaluation
I.9	New Activity: Strengthen Monitoring of HCBS Waiver Assurances in the Community Benefit	New activity under CMS review Under HSD development	Under HSD evaluation
Navigation Pillar			
N.1	Supports Waiver Outreach and Education Campaign	CMS Partial Approval on 11/5/21	Administrative activity
N.2	Member Level Technology Investment	CMS Partial Approval on 11/5/21	None needed
N.3	Upgrading Critical Incident Management Reporting Systems	CMS Partial Approval on 11/5/21	Administrative activity

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Proposal Number	Activity	Status of Activity	Federal Authorities Required
N.4	No Wrong Door Activities	CMS Partial Approval on 11/5/21	None needed
N.5	Public Facing Central Registry	CMS Partial Approval on 11/5/21	None needed
N.6	Revolving Trust	Remains under CMS review; requested additional information Under HSD development	Administrative activity
N.7	Establish an HCBS Ombudsman Program	Remains under CMS review; requested additional information Under HSD development	None needed
N.8	Closed Loop Referral System	Remains under CMS review; requested additional information Under HSD development	None needed
N.9	New Activity: Expand Education and Outreach to those who may qualify for Community Based Services	New activity under CMS review Under HSD development	Administrative activity
Services Pillar			
S.1	Add Community Benefit Slots	CMS Partial Approval on 11/5/21	• 1115 Waiver Amendment
S.2	Add Home and Community-Based Waiver Slots	CMS Partial Approval on 11/5/21	• 1915(c) Waiver Amendment
S.3	High Fidelity Wrap Around Expansion	CMS Conditional Approval on 2/8/22	• 1115 Waiver Amendment currently under CMS review
S.4	Assistive Technology Increase	CMS Partial Approval on 11/5/21	• 1915(c) Waiver Amendment
S.5	Environmental Modifications Increase	CMS Partial Approval on 11/5/21	• 1115 Waiver Amendment • 1915(c) Waiver Amendment

Proposal Number	Activity	Status of Activity	Federal Authorities Required
S.6	Transition Services Increase	CMS Partial Approval on 11/5/21	• 1115 Waiver Amendment • 1915(c) Waiver Amendment
S.7	Medically Fragile Waiver Specialized Equipment Increase	CMS Partial Approval on 11/5/21	None needed
S.8	Covering Meals for Enrollees Residing Independently	Remains under CMS review; requested additional information	Under HSD evaluation
S.9	Habilitative Services Expansion	Remains under CMS review; requested additional information Under HSD development	Under HSD evaluation
S.10	Intensive Case Management Services for Children in State Custody	Remains under CMS review; requested additional information	Under HSD evaluation

The total computable estimated expenditures of the proposals to be funded in Year 1 is \$296,602,302. The total state share of funds to be used from the dollars available through the enhanced FMAP in Year 1 is \$28,432,008, leaving approximately \$87.6 million dollars remaining.

The remaining proposals are subject to continued review and evaluation by the state and final approval by CMS. In accordance with HSD's RAI response, New Mexico has modified its numbering convention to include the identified pillar that guides our spending objectives and includes the corresponding proposal number.

Workforce

- **Proposal W.1. Contract for Statewide Needs Assessment and HCBS Provider Capacity Study (Phase 1) to expand, enhance, and strengthen HCBS. (CMS partial approval 11/5/2021)**
 - One-time investment to conduct an HCBS (MLTSS and 1915(c)) provider capacity study to build capacity and transform a critical safety net to support and empower New Mexicans.
 - Includes service utilization review and direct service provider workforce assessment.
 - For the Community Benefit, the contractor will assess the current HCBS provider capacity. As NM seeks to add additional slots to the Community Benefit program, and as our state's population ages, we anticipate that enrollment will continue to increase. The contractor will study the statewide and local availability of providers to serve additional members in the Community Benefit. The study will include recommendations for

continued provider capacity level monitoring. This will help ensure that NM has an adequate provider base and workforce to care for our disabled and elderly members.

- For Section 1915(c) waiver programs, the contract will assess the need for providers and the current availability of providers in New Mexico. The contractor will also develop a needs assessment that can be used in the section 1915(c) waiver programs to assess level of need and to develop the annual budget, ensuring that all waiver participants receive the services they need, as assessed.
 - For providers of Personal Care Services (PCS) and Private Duty Nursing (PDN) under the Early and Periodic Screening, Diagnostic and Treatment (EPSDT) benefit, the contractor will be assessing the current need for providers, the availability of providers in New Mexico and ability to transition to and work in tandem with services under 1915(c) and/or Community Benefits. These efforts will assist the agency in targeting areas of greatest need with rate increases, training and payment incentives, and other efforts to work the workforce to meet the demand. Rates for PCS and PDN under the EPSDT benefit have not been increased since prior to 2006.
 - This assessment will allow the state to determine key focus areas where additional incentives and supports are needed to expand HCBS provider networks that will expand, enhance or strengthen the State's ability to provide HCBS. Any additional initiatives identified through this study that require funding from the enhanced HCBS FMAP will be included in future quarterly updates.
 - Activities are targeted at providers delivering services listed in Appendix B of the SMDL or that could be listed in Appendix B. These providers are not delivering institutional Long-Term Services and Supports, or other medical or behavioral health services not listed in Appendix B (e.g., acute care hospital, primary care).
 - This activity is administrative in nature and presents an opportunity for one-time funding; no sustainability plan is required.
 - Estimated total expenditures is \$500,000 in Year 1 with a total of \$250,000 of state share to be funded through the enhanced FMAP dollars available.
- **Proposal W.2. Temporary Economic Recovery Payment** (Phase 1) to enhance HCBS. (CMS Conditional Approval 2/8/2022)
 - Temporary percentage increase in payments for all HCBS (MLTSS, 1915(c), and EPSDT) providers phased down over a period of 3 years:
 - 15% reimbursement increase in year one (May 1, 2021 to June 30, 2022)
 - 10% reimbursement increase in year two (July 1, 2022 to June 30, 2023)
 - 5% reimbursement increase in year three (July 1, 2023 to June 30, 2024)
 - We recognize that the duration of each increase does not align with the calendar year contract period; however, HSD does not intend to increase HCBS provider reimbursement retroactive to January 1, 2021 as that would become the required reimbursement level for maintenance of

effort purposes. HSD understands the current deadline to expend funds is March 31, 2024, and CMS has indicated a willingness to extend the period for a year if a state demonstrates a good-faith effort in expending the funds. HSD is requesting an extension to spend the funds through at least June 30, 2024 for this initiative.

- When the state fully expends the funds, the HCBS provider rates would return to the levels effective as of April 1, 2021.
- Recovery payments can be used for retention, personal protective equipment (PPE), hazard pay, training, infrastructure, and/or technology improvements, to enhance current HCBS delivery.
 - For the Community Benefit available through the 1115 Demonstration, these payments will be given to current providers to help offset costs related to the PHE, including but not limited to increased wages and employment incentives, training, and increased liability insurance. This will ensure that New Mexico has an adequate provider base and workforce to care for our disabled and elderly members. For these MLTSS provider payments, HSD submitted a directed payment preprint to CMS on December 29, 2021 for the period of May 2021 through December 2021 designed to direct the Managed Care Organizations to pay providers respectively. HSD plans to submit the directed payment preprint for the period covering calendar year 2022 by March 31, 2022.
 - For the Section 1915(c) waiver program providers, payments will also be used to offset costs related to the PHE, including hiring and retention of direct service providers, increased wages, training, and support. The payments will provide funding to support the current HCBS waiver system. For these 1915c provider payments, HSD intends to submit an Appendix K and permanent 1915(c) Waiver Amendments to address the change in rate methodology and obtain Medicaid authority for such payments impacting providers serving 1915(c) waiver participants.
 - For providers of Personal Care Services (PCS) and Private Duty Nursing (PDN) under the Early and Periodic Screening, Diagnostic and Treatment (EPSDT) benefit, payments will also be used to offset costs related to the PHE, including hiring and retention of direct service providers, increased wages, training, and support. This will ensure that New Mexico has an adequate provider base and workforce to care for our eligible members under the age of 21. For these provider payments, HSD intends to submit a Disaster State Plan Amendment (SPA) and regular SPA to address the change to the fee schedule and obtain Medicaid authority for such payments impacting providers serving EPSDT participants.
- We intend to require a specified percentage of the temporary payment increases to be paid by the agency to direct care workers.
- The recovery payments will be provided to MLTSS, 1915(c), and EPSDT (PCS and PDN) providers delivering services listed in Appendix B of the SMDL or that could be listed in Appendix B. These providers are not delivering institutional Long-Term Services and Supports, or other medical or behavioral health services not listed in Appendix B (e.g., acute care hospital, primary care).

- Activities outlined within this proposal are not administrative in nature but intended to support HCBS providers. These payments are intended to be time-limited and will not require a sustainability plan.
- Estimated total expenditures are \$165,000,000 in Year 1, \$110,000,000 in Year 2, and \$55,000,000 in Year 3, with the state share funded through the HCBS FMAP dollars to be \$19,300,000 in Year 1, \$29,000,000 in Year 2, and \$14,500,000 in Year 3.
- **Proposal W.3. Training Program** (Phase 1 and 2) to enhance delivery of HCBS. (Under CMS Review)
 - **Training Unit (Phase 1 and 2):** In coordination with the University of New Mexico Government Resource Center and Center for Development & Disability, the training unit pilot would gather national resources and build an infrastructure of trainers and/or training resources in New Mexico in areas such as Applied Behavioral Analysis (ABA), trauma responsive training, training for families providing In Home Living Supports (IHLS), Autism Spectrum Disorders (ASD), etc.
 - Phase 2 - Nursing students would receive targeted training in the home care of medically fragile children and young-adults and would include home-based clinical internships and in-service trainings. The training program will ensure an adequate provider network for the Medically Fragile Waiver program.
 - Phase 2 - The Center will develop expertise in high needs areas such as ABA provision and facilitate certification of providers to increase the number of skilled HCBS providers statewide.
 - Phase 2 - The Center will develop an online repository of training and tools for parents, families, and caretakers to assist them in taking care of members with Intellectual Developmental Disabilities.
 - Phase 1 - The Center will develop an Autism Spectrum Disorders (ASD) endorsement. This endorsement will be available to all behavioral health workers to ensure that behavioral health personnel have the opportunity for increased information regarding individuals with Autism. This endorsement will likely be a series of training modules to cover the basics of ASD, including characteristics, diagnosis, co-morbid conditions, state system supports generally necessary for families and individuals with ASD and other relevant topics. Continuing education units will be attached to this endorsement, making it useful for those seeking and maintaining certification and licensure. Development of such an endorsement will ensure that community behavioral/mental health workers and others will be able to fully support those with ASD.
 - Phase 2 - The center will review the current array of all Community Benefit services and identify if additional or alternate services would better serve our members with Traumatic Brain Injury (TBI) or behavioral health concerns.
 - **Statewide Training Program (Phase 2):** Targeted specifically for direct care workers (MLTSS) leveraging online learning (multiple languages and cultural competency).

- ***Pediatric Simulation Lab (Phase 2)***: Funding to create a pediatric simulation lab and course for the treatment of medically fragile children to help educate nursing students about the medically fragile population and community nursing.
- Activities will expand, enhance, or strengthen HCBS under Medicaid by providing training resources to the direct care workforce.
- Activities are targeted at providers delivering services that are listed in Appendix B of the State Medicaid Director Letter (SMDL) or that could be listed in Appendix B. These providers are not delivering institutional Long-Term Services and Supports, or other medical or behavioral health services not listed in Appendix B (e.g., acute care hospital, primary care).
- This activity is administrative in nature; the State will continue negotiations with UNM to fund this effort through a Certified Public Expenditure (CPE) arrangement after March 2024.
- Estimated total expenditures are \$7,200,000 in Year 1 and \$4,400,000 in Year 2. The total state share to be funded with enhanced HCBS FMAP dollars is \$3,600,000 in Year 1 and \$2,200,000 in Year 2.
- **Proposal W.4. School-based Investments** (Phase 2) to expand delivery of school-based services. (Under CMS Review)
 - One-time funding to schools to hire eligible providers under the school Medicaid program, giving the schools a (2–3 year) "runway" to start delivering services and build billing/reimbursement infrastructure to sustain those positions with Medicaid funding after the one-time funding.
 - This expansion would strengthen the existing school-based services delivery to children with an Individualized Education Plan (IEP) and Individualized Family Services Plan (IFSP) as a result of increased staffing, training, technology and infrastructure investment.
 - This proposal would support the expansion of the delivery of Medicaid reimbursable services in schools beyond those children with an IEP or IFSP.
 - New Mexico will be seeking guidance from CMS on whether these expanded services will meet the criteria outlined in Appendix B of the State Medicaid Director Letter #21-003.
 - Activities are targeted at providers delivering services that are listed in Appendix B of the State Medicaid Director Letter (SMDL) or that could be listed in Appendix B. These providers are not delivering institutional Long-Term Services and Supports, or other medical or behavioral health services not listed in Appendix B (e.g., acute care hospital, primary care).
 - This activity is administrative in nature and will be sustained by regular Medicaid reimbursement to these providers following the start-up period funded by the enhanced HCBS FMAP dollars.
 - New Mexico intends to submit a State Plan Amendment to expand the current school-based services program to include coverage for any medically necessary services provided by enrolled school-based providers through a Section 504 Accommodation Plan pursuant to 34 C.F.R.

104.36, an Individual Health Care Plan, or are otherwise medically necessary as appropriate for each covered service.

- The total expenditures and associated state share to be funded through the enhanced HCBS FMAP dollars are currently under development.

- **Proposal W.5. Grant Program to Increase HCBS Workforce** (Phase 2) to expand and enhance HCBS delivery. (Under CMS Review)

- Provide grants to clinics, physician offices, hospitals, private duty nursing (provided in the home), home health, or other clinical providers for the purposes of loan repayment, sign-on bonuses, training, and certification costs.
- This initiative creates the opportunity for providers to seek funding for the purposes of loan repayment, sign-on bonuses, training, and the costs of seeking and maintaining appropriate provider certification credentials. These grants will create financial incentives to expand the number of providers, improve retention rates, and increase expertise and skills of the HCBS workforce.
- The providers targeted for these grants provide services listed in Appendix B or that could be listed in Appendix B of the State Medicaid Director Letter (SMDL). These providers are not delivering institutional Long-Term Services and Supports, or other medical or behavioral health services not listed in Appendix B (e.g., acute care hospital, primary care).
- This activity is not considered to be administrative in nature; this represents a one-time funding opportunity through the enhanced HCBS FMAP dollars and does not require a sustainability plan.
- The estimated total expenditures and associated state share to be funded through the enhanced HCBS FMAP dollars are currently under development.

- **Proposal W.6. Development Funding for Caregiver Cooperative** (Phase 2) to expand HCBS delivery. (Under CMS Review)

- Support ALTSD by building upon the existing Caregiver Cooperative program to help bolster the HCBS workforce. This program would support caregivers in forming their own businesses providing care in home and community settings.
- To expand the development of the Caregiver Cooperative Initiative to provide incubation and infrastructure support to cooperatives focused on high quality caregiving. The funding would assist with the start-up consultation and costs for individuals with caregiving experience, including both professionals and families, to form and sustain a cooperative focused on caregiving to allow more New Mexicans to age in their homes and avoid an institutional setting. Infrastructure support would include start-up costs, business development, technical assistance needs, implementation plans and project manager.

- Some caregiver cooperatives may branch out to assist with staffing shortages in Medicaid contracted assisted living facilities (not institutional settings) to manage the day-to-day operations and provide direct care services to residents.
 - The overall goal is to develop a sustainable caregiver workforce through innovation and small business development.
 - This initiative will bring focus on the importance of caregivers throughout the state as well as provide living wages to the caregivers, making it a viable career option.
 - Activities are targeted at providers delivering services that are listed in Appendix B of the State Medicaid Director Letter (SMDL) or that could be listed in Appendix B. These providers are not delivering institutional Long-Term Services and Supports, or other medical or behavioral health services not listed in Appendix B (e.g., acute care hospital, primary care).
 - This activity is not considered to be administrative in nature; the State continues to explore a plan for sustaining this activity.
 - The total expenditures and associated state share to be funded through the enhanced HCBS FMAP dollars are \$58,000 (\$6,800 state funds) in year 1, \$298,000 (\$78,500 state funds) in year 2, and \$800,000 (\$211,000 state funds) in year 3.
- **Proposal W.7. Faculty endowments for Nursing Schools** (Phase 2) to expand HCBS. (Under CMS Review)
 - Support the recruitment and retention of professors and slots for nursing school students supporting HCBS programs. Endow nursing teaching positions at higher education institutions to expand the capacity of the programs to serve more students. May consider endowing other critical positions that might be needed to support the expansion, particularly as it relates to encouraging nurse graduates to work in the HCBS field. This initiative remains under development.
 - Activities are targeted at providers delivering services that are listed in Appendix B of the State Medicaid Director Letter (SMDL) or that could be listed in Appendix B. These providers are not delivering institutional Long-Term Services and Supports, or other medical or behavioral health services not listed in Appendix B (e.g., acute care hospital, primary care).
 - This activity is administrative in nature; this represents a one-time funding opportunity through the enhanced HCBS FMAP dollars and does not require a sustainability plan.
 - The estimated total expenditures and associated state share to be funded through the enhanced HCBS FMAP dollars are under development.
- **Proposal W.8. Increase Statewide Network of Certified Family Peer Support Workers and Peer Support Workers to Support Families and Individuals with Autism Spectrum Disorder (ASD)/Intellectual Developmental Disabilities (IDD)** (Phase 1) to expand HCBS. (New activity proposed in February 2022 update)
 - This initiative proposes to increase both Certified Peer Support Workers as well as Certified Family Peer Support Workers to continue to provide essential, individual non-clinical support.

- Individuals will be hired throughout the state to provide support in the communities that they reside. This network of workers will have a grounding in the support work as well as in the specific needs of those individuals with ASD/IDD and their families. They will have the resources and support of the Center for Development and Disability Autism Programs to ensure that they provide families and individuals with ASD/IDD the most relevant and reliable information possible, while providing wrap around services. These support workers will be a part of the Regional Interdisciplinary Behavior Support Teams (Proposal I.7) and will assist families in identifying the best supports based on client needs, assist in navigating systems and accessing identified HCBS services.
- This proposal includes 10 Certified Family Peer Support Workers and 6 Certified Peer Support Workers, statewide travel, and specific training on ASD/IDD.
- Technology support (tablets and iPhones) will be provided to enable workers to be effective in the community they serve.
- Activities are targeted at Behavioral Health Rehabilitative providers delivering services that are listed in Appendix B of the State Medicaid Director Letter (SMDL) or that could be listed in Appendix B. These providers are not delivering institutional Long-Term Services and Supports, or other medical or behavioral health services not listed in Appendix B (e.g., acute care hospital, primary care).
- This activity is not considered to be administrative in nature. Following the start-up period funded with the enhanced HCBS FMAP dollars, these positions will be sustained through regular Medicaid service billing.
- HSD understands the current deadline to expend funds is March 31, 2024, and CMS has indicated a willingness to extend the period for a year if a state demonstrates a good-faith effort in expending the funds. HSD is requesting an extension to spend the funds through at least March 31, 2025 for this initiative; however, would appreciate until June 30, 2025 as HSD intends to execute a contract with a term based on fiscal year.
- Estimated total expenditures are \$767,000 (\$78,387 state funds) in Year 1, \$725,000 (\$180,960 state funds) in Year 2, and \$725,000 (\$193,865 state funds) in Year 3.

Infrastructure

- **Proposal I.1. Behavioral Health Community Based Services Economic Recovery and Network Establishment Investment** (Phase 1) to enhance HCBS delivery. (CMS Conditional Approval 2/8/2022)
 - Activity 1: One-time infrastructure payments to behavioral health (BH) facilities delivering rehabilitative services to assist with purchase of technology platforms, vehicles, construction, buildings, etc. Making investments in infrastructure will help facilitate incorporation of HCBS into interoperable electronic health records (EHRs).
 - Payments will be used to cover individual telecommunications start-up costs, such as equipment, and internet connectivity activation costs to support HCBS.
 - HSD will not pay for ongoing internet connectivity costs and capital investment costs.

- Activity 2: Temporary percentage increase in payments to Behavioral Health (BH) providers delivering rehabilitative services phased down over a period of 3 years:
 - 15% reimbursement increase in year one (May 1, 2021 to June 30, 2022)
 - 10% reimbursement increase in year two (July 1, 2022 to June 30, 2023)
 - 5% reimbursement increase in year three (July 1, 2023 to June 30, 2024)
 - We recognize that the duration of each increase does not align with the calendar year contract period; however, HSD does not intend to increase HCBS provider reimbursement retroactive to January 1, 2021 as that would become the required reimbursement level for maintenance of effort purposes. HSD understands the current deadline to expend funds is March 31, 2024, and CMS has indicated a willingness to extend the period for a year if a state demonstrates a good-faith effort in expending the funds. HSD is requesting an extension to spend the funds through at least June 30, 2024 for this initiative.
 - When the state fully expends the funds, the BH provider rates would return to the levels effective as of April 1, 2021.
 - For these provider payments, HSD intends to submit a Disaster State Plan Amendment and a regular State Plan Amendment to address the change to the fee schedule and obtain Medicaid authority for such payments impacting BH providers rendering rehabilitative services. These rate investments are intended to restore stability and allow for growth of the behavioral health network of providers in New Mexico, in response to a period of severe rate disparities and provider shortages.
- For both activities, payments will be provided to BH providers delivering rehabilitative services listed in Appendix B of the SMDL or that could be listed in Appendix B. These providers are not delivering institutional Long-Term Services and Supports, or other medical or behavioral health services not listed in Appendix B (e.g., acute care hospital, primary care).
- Activities outlined within this proposal are not administrative in nature but intended to support HCBS providers. These payments are intended to be time-limited and will not require a sustainability plan.
- Estimated total expenditures for both activities over the three year period are \$114,388,661, with the state share funded through the HCBS FMAP dollars at \$20,132,312. New Mexico will continue to update amounts with each quarterly update.
- **Proposal I.2. Adult Day Care Site Funding (Phase 2) to enhance HCBS. (Under CMS Review)**
 - Provide funding for a minimum of four adult day care and/or respite caregiver sites in the most rural communities in New Mexico following completion of needs assessment and provider capacity assessment to enhance HCBS.
 - Activities are targeted at MLTSS and 1915(c) providers delivering services that are listed in Appendix B of the State Medicaid Director Letter (SMDL) or that could be listed in Appendix B. These providers are not delivering institutional Long-Term Services and Supports, or other

medical or behavioral health services not listed in Appendix B (e.g., acute care hospital, primary care).

- This proposal will enhance HCBS by creating more adult day care and respite services sites to serve members in rural communities.
- This activity is not considered to be administrative in nature; this represents a one-time funding opportunity through the enhanced HCBS FMAP dollars and does not require a sustainability plan.
- Estimated total expenditures for this initiative are \$500,000 in Year 1, \$250,000 in Year 2, and \$250,000 in Year 3, with the state share funded through the HCBS FMAP dollars to be \$58,500 in Year 1, \$65,800 in Year 2, and \$66,000 in Year 3.

- **Proposal I.3. School-based Services Infrastructure Investments** (Phase 2) to enhance HCBS delivery. (Under CMS Review)

- Support school-based services through investments in equipment and training for school health teams (i.e., district nurse manager, school nurse, SBHC, school counselor, parahealth professionals providing services through Individualized Education Program (IEP)) to pilot the delivery of free care rule reversal services, which will expand physical and behavioral health care services to any student regardless if an IEP exists.
- Activities are targeted at School Based Service providers delivering services that are listed in Appendix B of the State Medicaid Director Letter (SMDL) or that could be listed in Appendix B. These providers are not delivering institutional Long-Term Services and Supports, or other medical or behavioral health services not listed in Appendix B (e.g., acute care hospital, primary care).
- This activity is not administrative in nature and will be sustained by regular Medicaid reimbursement to these providers following the start-up period funded by the enhanced HCBS FMAP dollars.
- New Mexico intends to submit a State Plan Amendment to expand the current school-based services program to include coverage for any medically necessary services provided by enrolled school-based providers through a Section 504 Accommodation Plan pursuant to 34 C.F.R. 104.36, an Individual Health Care Plan, or are otherwise medically necessary as appropriate for each covered service.
- Estimated total expenditures and associated state share to be funded through the enhanced HCBS FMAP dollars are currently under development.

- **Proposal I.4. Supportive Housing Units** (Phase 3) to strengthen HCBS. (Under CMS Review)

- Purchase regional group homes for disabled individuals (costs would include purchase, renovation, contracting with provider unit to support).

- Purchase low-income housing for Medicaid eligible seniors (costs would include purchase, renovation, contracting with provider unit to support).
 - Evaluate and establish contracting arrangements with provider networks to provide HCBS services to members living in these settings.
 - These initiatives will increase the number of available Supportive Housing Units with sliding scale rent requirements and associated provider resources that are convenient and easily accessible. This would enable greater independence for members receiving HCBS and peace of mind for families that have loved ones living independently. This will also ensure that members have easy access to needed supports.
 - The activities included as part of our Supportive Housing Units proposal include capital investments but do not include payment for room and board.
 - The providers pursuing contracts to serve these residents are listed or could be listed in Appendix B of the State Medicaid Director Letter (SMDL). These providers are not delivering institutional Long-Term Services and Supports, or other medical or behavioral health services not listed in Appendix B (e.g., acute care hospital, primary care).
 - This activity is not administrative in nature and will be sustained by regular Medicaid reimbursement to the providers and rent payments from residents following the start-up period funded by the enhanced HCBS FMAP dollars.
 - Estimated total expenditures are \$8,000,000 in Phase 1, \$1,500,000 in Phase 2, and \$450,000 in Phase 3, with the state share funded through the HCBS FMAP dollars to be \$4,000,000 in Phase 1, \$750,000 in Phase 2, and \$225,000 in Phase 3.
- **Proposal I.5. Mi Via Program Changes** (Phase 2) to strengthen HCBS by supporting additional access to self-directed services. (Under CMS Review)
 - Create infrastructure for corporate Employers of Record (EORs) similar to corporate guardianship provided through the New Mexico Developmental Disabilities Planning Council (DDPC) increasing access to self-direction.
 - This will require a review of the EOR system in use currently and development of contracted agencies to provide EOR services.
 - This activity does not provide for capital investment costs.
 - Activities are targeted to ensure service delivery to 1915(c) self-directed participants for services that are listed in Appendix B of the State Medicaid Director Letter (SMDL) or that could be listed in Appendix B. These providers are not delivering institutional Long-Term Services and Supports, or other medical or behavioral health services not listed in Appendix B (e.g., acute care hospital, primary care).

- This activity is not considered to be administrative in nature; this represents a one-time funding opportunity through the enhanced HCBS FMAP dollars and does not require a sustainability plan.
- The estimated total expenditures and associated state share to be funded through the enhanced HCBS FMAP dollars are currently under development.
- **Proposal I.6. Preadmission Screening and Resident Review (PASRR) (Phase 2)** to strengthen HCBS by improving access to specialized services. (Under CMS Review)
 - Create infrastructure for assessment and development of specialized services in PASRR (establishing provider network, identifying targeted participants and creation of database for tracking) to ensure timely delivery of specialized services, while strengthening the infrastructure to monitor service delivery.
 - This activity does not provide for capital investment costs.
 - Activities are targeted at providers delivering services that are listed in Appendix B of the State Medicaid Director Letter (SMDL) or that could be listed in Appendix B. These providers are not delivering institutional Long-Term Services and Supports, or other medical or behavioral health services not listed in Appendix B (e.g., acute care hospital, primary care).
 - This activity is not considered to be administrative in nature; this represents a one-time funding opportunity through the enhanced HCBS FMAP dollars but specialized services will be eligible for Medicaid reimbursement on an ongoing basis.
 - The estimated total expenditures and associated state share to be funded through the enhanced HCBS FMAP dollars are currently under development.
- **Proposal I.7. Regional Interdisciplinary Behavior Support Teams** (Phase 1) to strengthen HCBS. (New activity proposed in February 2022 Update)
 - Develop the infrastructure to sustain an interdisciplinary behavioral support team(s) that provides needed behavioral services to families and individuals with Autism Spectrum Disorder (ASD)/Intellectual Developmental Disabilities (IDD). This includes the following staff to develop 4 interdisciplinary teams:
 - Four Board-Certified Behavior Analysts
 - 16 Behavior/Education Consultants
 - Four Social Workers
 - Two Clinical Psychologists
 - Consulting teams will provide training, technical assistance, consultation and direct services. It is anticipated that two teams could be developed quickly; tasks will be accomplished through in-person and virtual telehealth.
 - Focus will be on develop of the model of support to include individual, client-specific behavior support; individual, client-specific behavioral/mental health supports; and training and consultation to community staff, families, caregivers and others.

- Services may include:
 - Home services and supports for families and individuals with ASD/IDD.
 - Group home support for individual residents and staff.
 - In-home support for treatment foster care families caring for individuals with ASD/IDD.
 - Support for individuals discharged from residential treatment centers.
 - Support for individuals for whom a residential treatment center may be necessary.
 - Behavioral/mental health support for individuals with ASD/IDD and co-morbid conditions such as specific treatment for anxiety, depression, and others.
- These intervention teams will be recruited statewide. Teams will require support for travel, learning management system, and administration.
- HSD understands the current deadline to expend funds is March 31, 2024, and CMS has indicated a willingness to extend the period for a year if a state demonstrates a good-faith effort in expending the funds. HSD is requesting an extension to spend the funds through at least March 31, 2025 for this initiative; however, would appreciate until June 30, 2025 as HSD intends to execute a contract with a term based on fiscal year.
- Activities are targeted at providers delivering services that are listed in Appendix B of the State Medicaid Director Letter (SMDL) or that could be listed in Appendix B. These providers are not delivering institutional Long-Term Services and Supports, or other medical or behavioral health services not listed in Appendix B (e.g., acute care hospital, primary care).
- This activity is not administrative in nature and will be sustained by regular Medicaid reimbursement to the providers following the start-up period funded by the enhanced HCBS FMAP dollars.
- The estimated total expenditures are \$3,568,755 (\$406,245 state funds) in Year 1, \$3,238,726 (\$1,077,274 state funds) in Year 2 and \$3,063,001 (\$1,117,999 state funds) in Year 3, and associated state share to be funded through the enhanced HCBS FMAP dollars are currently under development.
- **Proposal I.8. Electronic Visit Verification (EVV) Enhancement (Phase 2)** to strengthen HCBS delivery. (New activity proposed in February 2022 Update)
 - New Mexico proposes a \$5,000 bonus to 1115 (MLTSS), EPSDT, and 1915c providers who have implemented or will be implementing EVV as required by the Cures Act. New Mexico will provide a second phase of bonus payments to home health providers when EVV is implemented for home health in 2023.
 - EVV is a federal requirement to ensure timely delivery of HCBS services. New Mexico intends to strengthen HCBS through the delivery of services by ensuring the correct service is provided on the correct date, time, and location. Additionally, the proposal will strengthen infrastructure for HCBS by ensuring that providers have the staff, tools, and training needed for successful implementation. This ensures the sustainability of HCBS providers and an adequate provider network.

- Targeted providers in accordance with Appendix B of the State Medicaid Director Letter (SMDL) #21-003 will include 1115 MLTSS, EPSDT, and 1915c providers of HCBS services.
 - This activity is not considered to be administrative in nature; this represents a one-time funding opportunity through the enhanced HCBS FMAP dollars and does not require a sustainability plan.
 - HSD intends to submit a Disaster State Plan Amendment (SPA), regular SPA, Appendix K, and Waiver Amendment respectively.
 - Estimated total expenditures are \$700,000 with the state share funded by the HCBS FMAP dollars to be \$180,535.
- **Proposal I.9. Strengthen Monitoring of HCBS Waiver Assurances in the Community Benefit** (Phase 2) to strengthen HCBS delivery. (New activity proposed in February 2022 Update)
 - Review current monitoring activities including HCBS performance measures to ensure CMS compliance, while collecting and analyzing data for CMS reporting.
 - These activities will strengthen MLTSS HCBS by helping NM monitor its program and respond to data trends with policy changes that will benefit members and help ensure their health and safety.
 - Activities are targeted at MLTSS services that are listed in Appendix B of the State Medicaid Director Letter (SMDL) or that could be listed in Appendix B. These providers are not delivering institutional Long-Term Services and Supports, or other medical or behavioral health services not listed in Appendix B (e.g., acute care hospital, primary care).
 - This activity is not considered to be administrative in nature; this represents a one-time funding opportunity through the enhanced HCBS FMAP dollars and does not require a sustainability plan.
 - Estimated total expenditures are \$500,000 with the state share funding by the HCBS FMAP dollars to be \$128,953.

Navigation

- **Proposal N.1. Supports Waiver Outreach and Education Campaign** (Phase 1) to strengthen HCBS delivery. (CMS partial approval 11/5/2021)
 - Support DOH and HSD campaign (social media/texting, TV, language translators, calls to waitlist members, community-based outreach) on accessing HCBS services under the recently implemented 1915(c) Supports Waiver.
 - Development of outreach and public service announcements about the Supports Waiver including but not limited to mail campaigns, commercials, and social media.
 - Activities are targeted at members receiving services that are listed in Appendix B of the State Medicaid Director Letter (SMDL) or that could be listed in Appendix B. These providers are not

delivering institutional Long-Term Services and Supports, or other medical or behavioral health services not listed in Appendix B (e.g., acute care hospital, primary care).

- This activity is considered to be administrative in nature; this represents a one-time funding opportunity through the enhanced HCBS FMAP dollars and does not require a sustainability plan.
- Estimated total expenditures in Year 1 are \$1,000,000, with the state share funded by the HCBS FMAP dollars to be \$500,000.

- **Proposal N.2. Member Level Technology Investment** (Phase 1) to strengthen HCBS delivery. (CMS partial approval 11/5/2021)

- Provide each member with a tablet and develop trainings to encourage electronic means of document submission and reduce paper processing.
- This proposal will increase remote support and enable technology utilization among HCBS members, particularly in rural areas. This proposal will also ensure that HCBS (MLTSS) members have the technology they need to self-direct their services
- This proposal will strengthen HCBS by providing the needed technology for MLTSS and EPSDT members and their caregivers to participate in electronic visit verification (EVV). In addition, MCOs will collaborate on this project to provide health related educational apps to assist members.
- These funds will not be used to pay ongoing internet connectivity costs.
- Activities are targeted at members receiving services that are listed in Appendix B of the State Medicaid Director Letter (SMDL) or that could be listed in Appendix B. These providers are not delivering institutional Long-Term Services and Supports, or other medical or behavioral health services not listed in Appendix B (e.g., acute care hospital, primary care).
- This activity is not considered to be administrative in nature; this represents a one-time funding opportunity through the enhanced HCBS FMAP dollars and does not require a sustainability plan.
- Estimated total expenditures for Year 1 are \$6,200,000 with the state share funded through the HCBS FMAP dollars to be \$725,000.

- **Proposal N.3. Upgrading Critical Incident Management Reporting Systems** (Phase 1) to enhance HCBS. (CMS partial approval 11/5/2021)

- Implement a comprehensive incident management reporting system, which will require an assessment of the current system, upgrades and enhancements to systems, and training for users.
- Implement improvements to quality measurement, oversight, and improvement activities.
- Implement the HCBS Consumer Assessment of Healthcare Providers and Systems (CAHPS) or another experience of care survey.
- Adopt and implement new HCBS quality measures.

- Activities are targeted at members receiving services that are listed in Appendix B of the State Medicaid Director Letter (SMDL) or that could be listed in Appendix B. These providers are not delivering institutional Long-Term Services and Supports, or other medical or behavioral health services not listed in Appendix B (e.g., acute care hospital, primary care).
- This activity is not considered to be administrative in nature; this represents a one-time funding opportunity through the enhanced HCBS FMAP dollars and does not require a sustainability plan.
- Estimated total expenditures are \$1,226,000 for Year 1, \$368,000 for Year 2, and \$368,000 with the state share funded by the HCBS FMAP dollars to be \$144,000 for Year 1, \$97,000 for Year 2 and \$97,000 for Year 3.
- **Proposal N.4. No Wrong Door Activities** (Phase 1) to enhance HCBS. (CMS partial approval 11/5/2021)
 - Improve access to HCBS (Developmental Disabilities Waiver, Mi Via, Supports Waiver, Medically Fragile) through non-administrative No Wrong Door activities such as consolidating toll-free phone lines, developing and improving resource and informational websites, automating screening and assessment tools, and conducting marketing and outreach campaigns.
 - Activities are targeted at New Mexican's in need of services that are listed in Appendix B of the State Medicaid Director Letter (SMDL) or that could be listed in Appendix B. This enhancement will support an increase in diverting New Mexicans from receiving institutional Long-Term Services and Supports.
 - This activity is not considered to be administrative in nature; this represents a one-time funding opportunity through the enhanced HCBS FMAP dollars and does not require a sustainability plan.
 - Estimated total expenditures are \$3,500,000 in Year 1 and \$2,000,000 in Year 2, with the state share funded by the HCBS FMAP dollars to be \$410,000 in Year 1 and \$527,000 in Year 2.
- **Proposal N.5. Public Facing Central Registry** (Phase 1) to enhance HCBS. (CMS partial approval 11/5/2021)
 - Create a Public Facing Central Registry Database which would allow members to see where they are located on the waitlist, how long it is typically taking a family to move through the waitlist, whether additional documentation is needed, available services through each waiver program, and how to access supports waiver while on waitlist.
 - This would include a contract to build, install and maintain a comprehensive HCBS waiver enrollment system that accepts and processes new applications for HCBS services, links functional assessments to applications, monitors and reports on the status of all pending applications, communicates with local Medicaid financial eligibility offices, sends notifications to applicants on the status of their applications, and formally transfers approved applications to the appropriate entities such as case managers, managed care plans, and state agencies.
 - Activities are targeted at members receiving services that are listed in Appendix B of the State Medicaid Director Letter (SMDL) or that could be listed in Appendix B. These providers are not

delivering institutional Long-Term Services and Supports, or other medical or behavioral health services not listed in Appendix B (e.g., acute care hospital, primary care).

- This activity is not considered to be administrative in nature; the State continues to explore a plan for sustaining this activity.
- Estimated total expenditures are \$4,000,000 in Year 1 and \$2,000,000 in Year 2, with the state share funded by the HCBS FMAP dollars to be \$468,000 in Year 1 and \$526,000 in Year 2.

- **Proposal N.6. Revolving Trust** (Phase 2) to expand HCBS. (Under CMS Review)

- Establishment of a Revolving Trust to support grandparents raising grandchildren who have not yet received SSI benefits. Revolving Trust will give them advance payments of SSI benefits. It will also allow the grandparents who do not have means to hire an attorney and pay fees associated with obtaining SSI to establish a Revolving Trust, and allows the state to pay for one-time upfront costs that would be repaid by the SSI recipient once allocated benefits.
- Activities are targeted at providers delivering services that are listed in Appendix B of the State Medicaid Director Letter (SMDL) or that could be listed in Appendix B. These providers are not delivering institutional Long-Term Services and Supports, or other medical or behavioral health services not listed in Appendix B (e.g., acute care hospital, primary care).
- This activity is considered to be administrative in nature; the State continues to explore a plan for sustaining this activity.
- This initiative remains under development; the total expenditures and associated state share to be funded through the enhanced HCBS FMAP dollars are under development.
- CMS requested additional clarification on this proposal, which will be provided in future quarterly report submissions.

- **Proposal N.7. Establish an HCBS Ombudsman Program** (Phase 2) to strengthen HCBS delivery. (Under CMS Review)

- Establish an Ombudsman program to perform outreach and education on HCBS programs, assist individuals with applying and obtaining HCBS, and identify and report on systemic issues relating to HCBS.
- This Ombudsman would be independent of both the state and Managed Care Organization current Ombudsman programs and would have the authority to serve residents transitioning from long-term care facilities to home care settings. It would also include opportunities to provide ombudsman services to clients of managed care and integrated programs serving dually-eligible members.
- Activities are targeted at members receiving services that are listed in Appendix B of the State Medicaid Director Letter (SMDL) or that could be listed in Appendix B. These providers are not delivering institutional Long-Term Services and Supports, or other medical or behavioral health services not listed in Appendix B (e.g., acute care hospital, primary care).

- This proposal strengthens the MLTSS program by providing an independent advocate for the member. The ombudsman can help ensure that services are provided in accordance with the 1115 waiver.
- This activity is not considered to be administrative in nature. The sustainability of this proposal is under development.
- The estimated total expenditures and associated state share to be funded through the enhanced HCBS FMAP dollars are under development.
- **Proposal N.8. Closed Loop Referral System** (Phase 2) to enhance, expand, and strengthen HCBS delivery. (Under CMS Review)
 - Establish a “Closed-loop referral” technology-enabled workflow that provides real-time view of the status of the patient, while exchanging data amongst team, assigning tasks, and reporting on outcomes. A closed-loop referral is one that successfully secures the right resources for patients at the right time, ensuring that the patients' needs are met.
 - This platform would enhance, expand, and strengthen care coordination for HCBS members by allowing for a resource directory of services as well as enabling care teams to know if the service was received and the results of the intervention, following a referral. Activities would also expand, enhance, and strengthen services received by HCBS members and identify additional service needs, connecting members to the appropriate providers.
 - Activities are targeted at providers delivering services that are listed in Appendix B of the State Medicaid Director Letter (SMDL) or that could be listed in Appendix B. These providers are not delivering institutional Long-Term Services and Supports, or other medical or behavioral health services not listed in Appendix B (e.g., acute care hospital, primary care).
 - This activity is not considered to be administrative in nature; this represents a one-time funding opportunity through the enhanced HCBS FMAP dollars and does not require a sustainability plan.
 - Estimated total expenditures are \$5,700,000 in Year 2 and \$5,000,000 in Year 3 with the state share funding by the HCBS FMAP dollars to be \$570,000 in Year 2 and \$1,250,000 in Year 3.
- **Proposal N.9. Expand Education and Outreach to those who may qualify for Community Based Services** (Phase 3) to strengthen HCBS delivery. (New activity proposed in February 2022 Update)
 - Develop promotional materials to inform potential applicants of the Community Benefit Program (MLTSS), including available services and how to enroll.
 - This proposal expands HCBS by outreaching to potential recipients, with the goal of bringing more members into the Community Benefit program.
 - This activity is not considered to be administrative in nature; this represents a one-time funding opportunity through the enhanced HCBS FMAP dollars and does not require a sustainability plan.

- Activities are targeted at MLTSS members who may be eligible for services that are listed in Appendix B of the State Medicaid Director Letter (SMDL) or that could be listed in Appendix B. These services do not include institutional Long-Term Services and Supports.
- Estimated total expenditures are \$373,333 in Year 2 and \$326,667 in Year 3 with the state share funding by the HCBS FMAP dollars to be \$93,184 in Year 2 and \$87,351 in Year 3.

Services

- **Proposal S.1. Add Community Benefit Slots** (Phase 1) to expand HCBS. (CMS partial approval 11/5/2021)
 - Add 1,000 slots to for Centennial Care Community Benefit (HCBS) allocations in 3 years, adding approximately 1/3 of the 1,000 slots each year.
 - There are currently around 15,000 disabled and elderly New Mexicans on the Community Benefit Central Registry. New Mexico increased the Community Benefit slots for those who are not otherwise eligible for Medicaid by 1,500 in 2019. To date, the State has almost filled all of those 1,500 slots and has less than 200 slots available. Adding Community Benefit slots will enable the State to provide HCBS to more New Mexicans in need of these services.
 - No funds available through the enhanced HCBS FMAP dollars will be used to pay for institutional services for members that are newly eligible to Medicaid as a result of the expanded number of slots.
 - Activities are targeted at members who may be eligible for services that are listed in Appendix B of the State Medicaid Director Letter (SMDL) or that could be listed in Appendix B. These members are not receiving institutional Long-Term Services and Supports.
 - This activity is not considered to be administrative in nature. Following the funding available through the enhanced HCBS FMAP, New Mexico is currently exploring continued funding through New Mexico's State General fund with an FMAP.
 - To operationalize this initiative, on December 30, 2021, New Mexico submitted a letter to CMS requesting to add this initiative to its 1115 Demonstration Waiver Amendment #2. On January 27, 2022, CMS clarified that that appropriate federal authority to seek is an Appendix/Attachment K, which is under development.
 - Estimated total expenditures are \$12,088,496 in Year 1, \$30,965,500 in Year 2, and \$46,020,240 in Year 3, with the state share funded by the HCBS FMAP dollars to be \$1,414,354 in Year 1, \$8,082,125 in Year 2, and \$12,140,319 in Year 3.
- **Proposal S.2. Add Home and Community-Based Waiver Slots** (Phase 1) to expand HCBS. (CMS partial approval 11/5/2021)
 - Increase the number of 1915(c) HCBS waiver slots.
 - There are currently 4,207 persons on the Department of Health Central Registry waiting for services. The State intends to allocate all 4,207 to the waivers serving individuals with Intellectual Developmental Disabilities, either through the Developmental Disabilities Waiver or the Mi Via Waiver over a 3-year period.

- No funds available through the enhanced HCBS FMAP dollars will be used to pay for institutional services for members that are newly eligible to Medicaid as a result of the expanded number of slots.
 - The addition of 1915(c) waiver slots provides New Mexicans with developmental disabilities access to home and community-based services, allowing them to safely stay in their home and live meaningfully in their communities.
 - Activities are targeted at members who may be eligible for services that are listed in Appendix B of the State Medicaid Director Letter (SMDL) or that could be listed in Appendix B. These members are not receiving institutional Long-Term Services and Supports.
 - This activity is not considered to be administrative in nature. Following the funding available through the enhanced HCBS FMAP, HSD has worked in partnership with the Governor's office and the Legislature to ensure commitment to a sustainable plan for future investment of State General Fund to support this effort ongoing.
 - Appendix K is under development to seek the appropriate federal authority required to operationalize initiative.
 - Estimated total expenditures are \$63,018,000 in Year 1, \$235,625,000 in Year 2, and \$273,979,000 Year 3.
- **Proposal S.3. High Fidelity Wraparound Expansion** (Phase 1) to expand HCBS. (CMS Conditional Approval 2/8/2022)
 - Expand high fidelity wraparound services statewide and to all qualified providers through a pending 1115 waiver amendment submitted to CMS March 1, 2021.
 - This proposal would expand high-fidelity wraparound statewide, increasing access to this approach to help children and families achieve success at home, in school, and in the community.
 - Activities are targeted at BH providers delivering rehabilitative services listed in Appendix B of the SMDL or that could be listed in Appendix B, specifically providers of intensive care coordination trained in high fidelity wraparound. These providers are not delivering institutional Long-Term Services and Supports, or other medical or behavioral health services not listed in Appendix B (e.g., acute care hospital, primary care).
 - Activities outlined within this proposal are not administrative in nature. Following the funding available through the enhanced HCBS FMAP, this service expansion will be sustained through normal Medicaid funding.
 - Estimated total expenditures are \$3,600,000 in each of Years 1, 2, and 3, with the state share of \$424,000 in Year 1, and \$955,000 each in Years 2 and 3, to be funded by the HCBS FMAP dollars.
- **Proposal S.4. Assistive Technology Increase** (Phase 1) to strengthen HCBS. (CMS partial approval 11/5/2021)

- Temporarily increase Assistive Technology allowance, such as tablets and applications to support activities of daily living, therapy services and access to the community, up to \$750 (from \$500) through March of 2024. Currently, 1,255 clients are using these services.
 - Increasing the budgets for assistive technology will help address members' functional needs, promote independence, and/or support community integration.
 - These funds will not be used to pay ongoing internet connectivity costs.
 - Activities are targeted at members receiving services that are listed in Appendix B of the State Medicaid Director Letter (SMDL) or that could be listed in Appendix B. These members are not receiving institutional Long-Term Services.
 - This activity is not considered to be administrative in nature. Following the funding available through the enhanced HCBS FMAP, this service expansion will be sustained through and for 1915(c) the rate per unit will revert to that listed in Appendix I and J of approved waivers NM.0223.R06, NM.0173.R07, NM.0448.R03, and NM.1726.R00.
 - Estimated total expenditures are \$314,000 in Year 1, with the state share funded through the HCBS FMAP dollars to be \$37,000.
- **Proposal S.5. Environmental Modifications Increase** (Phase 1) to strengthen HCBS. (CMS partial approval 11/5/2021)
 - Increase all HCBS environmental modifications benefit limits from \$5,000 to \$6,000 every 5 years.
 - For the Community Benefit in the 1115 demonstration and the section 1915(c) waiver programs, construction and materials costs have increased during the PHE. An increase in funding limits for environmental modifications will help ensure that members at risk of institutionalization can continue to safely age in their homes.
 - Activities are targeted at members receiving services that are listed in Appendix B of the State Medicaid Director Letter (SMDL) or that could be listed in Appendix B. These members are not receiving institutional Long-Term Services.
 - This activity is not considered to be administrative in nature. Following the funding available through the enhanced HCBS FMAP, for MLTSS, this service expansion will be sustained through our 1115 Waiver Renewal and for 1915(c) the rate per unit will revert to that listed in Appendix I and J of approved waivers NM.0223.R06, NM.0173.R07, NM.0448.R03, and NM.1726.R00.
 - To operationalize this initiative, on December 30, 2021, New Mexico submitted a letter to CMS requesting to add this initiative to its 1115 Demonstration Waiver Amendment #2. On January 27, 2022, CMS clarified that that appropriate federal authority to seek is an Appendix/Attachment K, which is under development.
 - Estimated total expenditures are \$884,000 in Year 1, with the state share funded through the HCBS FMAP dollars to be \$104,000.
 - **Proposal S.6. Transition Services Increase** (Phase 1) to enhance HCBS. (CMS partial approval 11/5/2021)

- Raise limits on Community-Based Transition Services from \$3,500 to \$4,000 every 5 years.
 - For the Community Benefit, the State has had a successful system in place to move members who reside in nursing facilities back to their communities. An increase in the overall limit for Community Transition Services will ensure that New Mexico can continue to support these rebalancing efforts and bring members out of facilities.
 - Activities are targeted at members receiving services that are listed in Appendix B of the State Medicaid Director Letter (SMDL) or that could be listed in Appendix B. These members are not receiving institutional Long-Term Services.
 - This activity is not considered to be administrative in nature. Following the funding available through the enhanced HCBS FMAP, for MLTSS, this service expansion will be sustained through our 1115 Waiver Renewal.
 - To operationalize this initiative, on December 30, 2021, New Mexico submitted a letter to CMS requesting to add this initiative to its 1115 Demonstration Waiver Amendment #2. On January 27, 2022, CMS clarified that that appropriate federal authority to seek is an Appendix/Attachment K, which is under development.
 - Estimated total expenditures are \$123,000 in Year 1, with the state share funded through the HCBS FMAP dollars to be \$14,000.
- **Proposal S.7. Medically Fragile Waiver Specialized Medical Equipment Increase** (Phase 1) to enhance HCBS. (CMS partial approval 11/5/2021)
 - Increase limit for specialized medical equipment and supplies from \$1,000 per ISP year to \$1,200 per ISP year.
 - This increase allows Medically Fragile Waiver participants to receive the specialized medical equipment that allows them to safely live in their homes and communities. This benefit covers equipment not otherwise covered by the Medicaid State Plan.
 - Activities are targeted at 1915(c) members receiving services that are listed in Appendix B of the State Medicaid Director Letter (SMDL) or that could be listed in Appendix B. These providers are not delivering institutional Long-Term Services and Supports, or other medical or behavioral health services not listed in Appendix B (e.g., acute care hospital, primary care).
 - This activity is not considered to be administrative in nature. Following the funding available through the enhanced HCBS FMAP, this service rate per unit will revert to that listed in Appendix I and J of approved waiver NM.0223.R06.
 - Estimated total expenditures are \$480,000 in Year 1, with the state share funded through the HCBS FMAP dollars to be \$120,000.
- **Proposal S.8. Covering Meals for Enrollees Residing Independently** (Phase 2) to expand HCBS. (Under CMS Review)
 - Ensure coverage of meals for enrollees living independently.
 - Promotes aging-in-place for those who are at risk of institutionalization.

- This proposal seeks to expand home-delivered meals as a new waiver service under the Centennial Care 2.0 Section 1115 waiver and additional service under the Program of All Inclusive Care for the Elderly (PACE).
- Activities are targeted at MLTSS and PACE providers delivering services that are listed in Appendix B of the State Medicaid Director Letter (SMDL) or that could be listed in Appendix B. These providers are not delivering institutional Long-Term Services and Supports, or other medical or behavioral health services not listed in Appendix B (e.g., acute care hospital, primary care).
- This activity is not considered to be administrative in nature; the State continues to explore a plan for sustaining this activity.
- Estimated total expenditures are \$1,590,000 in Year 1, with the state share funded through the HCBS FMAP dollars to be \$186,000.
- **Proposal S.9. Habilitative Services Expansion** (Phase 2) to expand HCBS. (Under CMS Review)
 - Cover additional habilitative services that promote social skills to support community integration.
 - This proposal would look to increase coverage of habilitative services that promote social skills to support community integration.
 - Activities are targeted at providers delivering services that are listed in Appendix B of the State Medicaid Director Letter (SMDL) or that could be listed in Appendix B. These providers are not delivering institutional Long-Term Services and Supports, or other medical or behavioral health services not listed in Appendix B (e.g., acute care hospital, primary care).
 - This activity is not considered to be administrative in nature; the State continues to explore a plan for sustaining this activity.
 - The total expenditures and associated state share to be funded through the enhanced HCBS FMAP dollars are under development.
- **Proposal S.10. Intensive Case Management Services for Children in State Custody** (Phase 2) to expand HCBS. (Under CMS Review)
 - Evaluate and establish provision of Intensive Case Management (ICM) for children in state custody in coordination with High Fidelity Wraparound Services. These services would be provided in home and community-based settings.
 - The state is currently evaluating expansion of the service array for children in state custody, to include intensive case management with a focus on keeping children in community-based settings.
 - Activities are targeted at members receiving services that are listed in Appendix B of the State Medicaid Director Letter (SMDL) or that could be listed in Appendix B. These providers are not delivering institutional Long-Term Services and Supports, or other medical or behavioral health services not listed in Appendix B (e.g., acute care hospital, primary care).

- This activity is not considered to be administrative in nature; the State continues to explore a plan for sustaining this activity.
- Estimated total expenditures are \$10,000,000 in Year 1, with the state share funded through the HCBS FMAP dollars to be \$1,170,000.

V. Spending Plan Projection

Estimated Eligible Funds

New Mexico is spending over \$1.2 billion annually on services identified as HCBS in the ARPA. Therefore, the state estimates that the additional 10% FMAP in supplemental funds will equal approximately \$116,068,139 for activities identified in our spending narrative. Below, New Mexico has provided our expected total expenditures for both our fee-for-service population and our members in managed care for HCBS services eligible for the enhanced FMAP, during the referenced timeframe for the quarter ending March 31, 2022. This additional investment will allow New Mexico to further enhance, expand and strengthen HCBS under our Medicaid program. New Mexico will continue to refine the numbers by proposal as identified in this spending narrative and will provide CMS with updated estimates in future quarterly reports.

Table 1 – Estimated Total Medicaid HCBS Expenditures from April 2021 through March 2022

<i>Federal Fiscal Year (FFY)</i>	FFY 21	FFY 21	FFY 22	FFY 22	Total
<i>Quarter</i>	Q3: Apr to Jun	Q4: Jul to Sep	Q1: Oct to Dec	Q2: Jan to Mar	Q3 FFY21 – Q2 FFY22
Total Computable Base Group	\$275,793,484	\$280,220,698	\$286,224,235	\$269,314,060	\$1,111,552,477
Total Computable OAG¹ Group	\$24,476,344	\$24,920,479	\$24,987,313	\$23,873,674	\$98,257,810
Total including Base and OAG Group	\$300,269,828	\$305,141,177	\$311,211,548	\$293,187,734	\$1,209,810,287
Total State Share	\$29,740,863	\$30,220,844	\$30,129,391	\$28,367,472	\$118,458,571
Total Federal Share	\$270,528,965	\$274,920,333	\$281,082,157	\$282,844,076	\$1,109,375,530
Funds Attributable to the HCBS FMAP Increase	\$28,803,166	\$29,268,094	\$29,871,789	\$28,125,090	\$116,068,139

Estimated Funding for HCBS Reinvestment

Additionally, New Mexico has estimated potential gains through reinvestment over the eligible spending period and the total increase in Federal funding attributable to ARPA Section 9817 for the initial year. This estimate targets a reinvestment of 50% of our state equivalent funding before April 2022, and further assumes the federal declaration of a Public Health Emergency 6.2% increased FMAP remains in effect through June, 2022. Under these assumptions, HSD estimates that the supplemental funding would total \$296,602,302 in the first year, and a total of \$657,037,876 over the course of the three years.

¹ OAG – New Mexico’s expansion population knowns as the Other Adult Group

Table 2 – Funding for HCBS Reinvestment

Year of Reinvestment	Year 1	Year 2	Year 3	3 Year's Total
Time Period	Apr 2021 – Mar 2022	Apr 2022 – Mar 2023	Apr 2023 – Mar 2024	
% of Total Fund Spend in Each Year	25.00%	40.00%	35.00%	100.00%
GF Associate with Base Group	\$27,788,812	\$44,462,099	\$38,904,337	
GF Associate with OAG Group	\$1,228,223	\$1,965,156	\$1,719,512	
General Fund Total	\$29,017,035	\$46,427,255	\$40,623,848	\$116,068,139
Base FFP	89.78%	75.04%	73.26%	
OAG FFP	95.00%	90.00%	90.00%	
Federal Share	\$267,585,267	\$151,322,040	\$122,062,430	\$540,969,737
Total Computable	\$296,602,302	\$197,749,295	\$162,686,279	\$657,037,876
Reinvestment Funds Attributable to the HCBS FMAP Increase	\$28,432,008	0	0	

New Mexico has calculated \$28,432,008 as reinvestment funds attributable to the HCBS FMAP Increase. This illustrates the additional state general fund savings that New Mexico expects when it reinvests the initial fund to expand services in HCBS. New Mexico identified the current investment in services that qualified for the additional round of increased HCBS FMAP, as of April 1, 2021. That investment totals \$1.2 billion annually. New Mexico then applied the 10% additional FMAP to that total, taking into consideration the varying FMAPs by program area (e.g., only calculated 5% increase on expenditures for HCBS activities attributable to the expansion population because that FMAP is currently 90%, so only a 5% increase from HCBS FMAP would be permissible under the ARPA statutory limitation that no FMAP shall exceed 95%). That 10% draw down results in approximately \$116 million that New Mexico can reinvest over the three-year period outlined for spending in SMDL# 21-003. Endeavoring to optimize this opportunity and our investment in HCBS, New Mexico aimed to spend 25% of \$116 million in year one (April 2021 – March 2022) of the reinvestment period, 40% in year two and 35% in year three. Table 2 above reflects a \$28.4 million investment. That investment results in a total expenditure of \$296.6 million on HCBS services. The \$28.4 million illustrates the additional general fund savings attributable to this investment in HCBS.