



State of New Mexico
Medical Assistance Program Manual
Supplement



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TO: ALL LONG-TERM AND SKILLED NURSING FACILITIES PARTICIPATING IN THE NEW MEXICO MEDICAID PROGRAM

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THROUGH: TALLIE TOLEN, BUREAU CHIEF, LONG-TERM AND SUPPORTS BUREAU

SUBJECT: REIMBURSEMENT FOR TRIBAL 638 NURSING FACILITIES

The purpose of this Supplement is to provide information for the Centers for Medicare and Medicaid (CMS) approved Tribal 638 Nursing Facilities (NFs) to be reimbursed for NF services at the Office of Management and Budget (OMB) Outpatient rate. Approved NFs will have an Indian Hospital Service (IHS) indicator on the provider enrollment file. Managed Care Organizations (MCO) instructions are also included in this Supplement.

MCOs will not pay less than the current calendar year OMB rate for Tribal 638 NFs under the authority of [42 CFR 438.14\(c\)\(2\)](#).

For approved NFs, there will be one single daily rate for both High Nursing Facility (HNF) and Low Nursing Facility (LNF). The rate is published annually by CMS as the Outpatient OMB rate. For an approved NF to receive the Outpatient OMB rate, the member must meet a LNF in accordance with the NF Level of Care (LOC) Criteria Instructions 2019 that may be found at: <https://www.hsd.state.nm.us/providers/nursing-facility-level-of-care/>

The MCOs are to reimburse for reserve bed days at a rate of half (1/2) of the Outpatient OMB rate in accordance with 8.312.2.16D NMAC.

The Outpatient OMB rate was approved by CMS effective August 18, 2023, and claims must be adjusted accordingly. The MCOs must update their systems and re-process claims within sixty (60) days from the date of Centennial Care Letter of Direction (LOD) #118 which may be found at www.hsd.state.nm.us/wp-content/uploads/Final-LOD-118_Tribal-638-Nursing-Facilities-NFs.pdf

The MCOs are permitted to waive timely filing, as needed, to adjust these claims.

Health Care Quality Surcharge (HCQS) Nursing Facility (NF) Historical Overview

The HCQS Act was created by Senate Bill 246 (SB246) in the 2019 Regular Legislative Session. (7-41-1 to 7-41-8 NMSA 1978) The program imposes a daily surcharge on certain types of facilities for non-Medicare bed days. The purpose of the surcharge is to increase each facility's Medicaid reimbursement rates by at least the rate of nursing home inflation and to provide bonus payments to Medicaid facilities based on performance data.

The payment methodology has three (3) payment mechanisms associated with the HCQS program.

- Surcharge Add-On
- MBI Increase
- Quality payment

Please refer to the most current year HCQS Letter of Direction for further details on the program.

https://www.hsd.state.nm.us/wp-content/uploads/Final-LOD-83-1-Health-Care-Quality-Surcharge-HCQS-SFY2024_wattach.pdf

Health Care Quality Surcharge (HCQS) Tribal 638 Nursing Facility (NF) Participation

Nursing facilities owned and operated by Native Americans that have been approved by the Centers for Medicare and Medicaid Services as a Tribal 638 facility shall be reimbursed at the approved outpatient medical care rate, excluding Medicare, for the "Lower 48 States". This rate is published in the Federal Register and commonly referred to as the outpatient OMB rate that is in effect each calendar year. With the outpatient OMB rate, approved Tribal 638 facilities will not participate in the HCQS surcharge add-on or receive the Market Basket Index (MBI) increase each July 1.

Tribal 638 NFs can participate in the Quality Component of HCQS under the following parameters:

- Must provide Minimum Data Sets (MDS) to CMS
- Must be contracted with all Medicaid MCO's
- Must be contracted with Data Vendor
- Must have non-Medicare bed days

Please contact the Medical Assistance Division at (505) 827-6252 if you have any questions.