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### Letter of Direction #34-2

**Date:** December 18, 2025

**To:** Turquoise Care Managed Care Organizations

**From:** Alanna Dancis, Acting Director, Medical Assistance Division 

**Subject:** Directed Payment to UNM Medical Group and UNM Hospital Professional Group  
Repeal and Replace Turquoise Care LOD# 34-1

**Title:** Calendar Year (CY) 2026 UNM Medical Group and UNM Hospital Professional Group Directed Payment

The Health Care Authority Medical Assistance Division (HCA/MAD) has received approval from Centers for Medicare and Medicaid Services (CMS) for the annual renewal of the CY 2026 UNM Medical Group (UNMMG) and UNM Hospital Professional Group (UNMH-PG) directed payment in accordance with Section 438.6(c). This Letter of Direction (LOD) is intended to repeal and replace LOD #34-1 issued by HCA/MAD on July 14, 2025. The following updates are included in this revised LOD:

- Updated CY 2026 payment distribution dates for Managed Care Organizations (MCOs), sunseting quarterly payment reconciliation.
- Removal of MCO claims direction for Certified Community Behavioral Health Clinic (CCBHC) billing for UNMMG.

#### Background

Since CY 2019, HCA/MAD has received annual approval from CMS for this directed payment for UNMMG and UNMH-PG. The distribution of the payment by HCA/MAD is separate from the regular capitated payment and the MCOs will distribute the funds to UNMMG and UNMH-PG.

#### Distribution of Directed Payments

HCA/MAD has historically made quarterly payments to each MCO based on actual utilization, with quarterly reconciliation occurring at the end of each subsequent quarter based on utilization in claims data runout. The quarterly amounts paid to each MCO in CY 2026 are final and will not be reconciled to account for utilization in claims data runout. The payments to eligible providers for eligible services will be distributed from a fixed quarterly pool of funds.

**Payment Distribution Schedule January 1, 2026 – December 31, 2026**

Period	Quarter	UNMMG & UNMH-PG Payment Date
Q1 2026	1/1/2026 - 3/31/2026	May 2026
Q2 2026	4/1/2026 - 6/30/2026	August 2026
Q3 2026	7/1/2026 – 9/30/2026	November 2026
Q4 2026	10/1/2026– 12/31/2026	February 2027

**Evaluation Plan Metrics**

The measures and performance targets for the evaluation plan were determined in conjunction with UNMMG and UNMH-PG based on a review of current performance by UNMMG and UNMH-PG with the objective of setting reasonably achievable goals for performance improvement. After the end of the year, UNMMG and UNMH-PG will report to the state on its performance for the specified measures in alignment with the state’s goals and objectives and existing measurement processes. The MCO will develop a process to inform UNMMG and UNMH-PG on a quarterly basis of any gaps in care, that align with the performance measures, the MCO has identified for members attributed to UNMMG and UNMH-PG providers. Note that UNMMG and UNMH-PG performance against the performance targets does not impact eligibility for the uniform percent increase on utilization during the January 1, 2026 – December 31, 2026, rating period. The table below features the metrics, baselines, and improvement targets for the program for CY 2026:

Measure	Baseline Year	Baseline Statistic	Performance Target (CY 2026)
Well Child Visits – First 15 Months (W15)	12 months ending August 2020	58%	72%
Controlling Blood Pressure	12 months ending December 2024	63%	65%
Follow Up After Hospitalization	Q1& Q2 CY 2024	41.40%	42%
Kidney Health Evaluation for Patients with Diabetes (NCQA KED)	CY 2022	34.5%	32.28%
Comprehensive diabetes care HbA1c poor control >9	12 months ending August 2020	30%	28%

**Other Directed Payment Details**

This section provides information about operational and reporting requirements associated with the directed payment.

- The directed payments are classified as revenue attributed to medical expenses and therefore, classified as “premium”. The quarterly payments will include gross-up amounts to account for underwriting gain, premium, and surtax taxes.
  - HCA/MAD will provide each MCO with the amount of the directed payment and break out the gross-up amounts for each rate cohort.

- The directed payment will be included in the MCOs' Medical Loss Ratio and Underwriting Gain calculations outlined in the MEDICAID MANAGED CARE SERVICES AGREEMENT.
  - HCA/MAD directs each MCO to report the revenue received for the directed payment in the quarterly and annual Financial Reporting package as "other revenue". The amounts recorded in the financial reporting package **must** match the total payment made by HCA/MAD to the MCO by rate cohort.
  - HCA/MAD directs each MCO to report the amount paid by the MCO to UNMMG and UNMH-PG for the directed payment in the quarterly and annual Financial Reporting package as "other services". The amounts recorded in the financial reporting package must match the total payment made by HCA/MAD to the MCO by rate cohort.
  - HCA/MAD directs the MCOs to support UNMMG and UNMH-PG by providing support to Medicaid beneficiaries to improve quality of care outcomes.
- Amounts paid by the MCO to UNMMG and UNMH-PG for the directed payment should also be reported in FIN-Report #5 for "Other Services" in the Shared Risk/Incentive Arrangements (All programs – Line 42). This will ensure that the FIN-Report Check Totals tab does not trigger submission errors.
- Reconciliations performed as part of the MCO contract (Retroactive Period and Patient Liability) will not include the directed payment revenue or expense.
- The directed payment amount paid by the MCO to UNMMG and UNMH-PG should not be included in encounter data submissions.

### **Reporting of UNM Medical Group and UNM Hospital Professional Group Paid Claims**

The MCOs are required to submit utilization and paid amounts by claim, rate cohort and month in which the service occurred for each month and as prescribed below. Data is due each quarter. **MCOs must submit the data no later than fifteen (15) business days after the last business day of the prior quarter.** MCOs must submit the electronic version of paid claim files to HCA/MAD's secure DMZ FTP site using the following filename structure:

[MCO acronym].[LOD reference].[submission reference].[calendar year reporting cycle].[version number]

### **Acceptable File Formats:**

- Delimited text file (\*.txt or \*.csv)

### **Requirements:**

- Table 1 illustrates the data required and information about how the field should be formatted and Table 5 provides an example of the data output.
- Data should be limited to UNMMG and UNMH-PG including contracted practitioners providing services at UNMMG and UNMH locations and UNMMG and UNMH-PG practitioners providing services at partner sites.
- The NPI numbers for Billing Provider NPI that identify UNMMG are provided in Table 2 and those Billing Provider NPIs for UNMH-PG are provided in Table 3.

- The list of NPIs included in Tables 2 and 3 only includes billing providers at the group levels. Along with filtering for provider type, this should be sufficient for reporting purposes.
- Data should be limited to only those provider types that are shown in the table below and that are enrolled with New Mexico Medicaid for the reported data period.
- Please note that anesthesia providers are included beginning in CY 2022.
- The report should be based on adjudicated paid claims with dates of service within the specified period.
- Denied or voided claims should be excluded.
- The claim type should represent professional claims. A list of qualified practitioners is provided below in Table 4.
  - Qualified practitioners are individual provider types listed below who are members of a practice plan under contract or employed by a State-owned academic medical center to provide professional services as determined by HCA/MAD.
- Rate cohort assignment **must** be based on the cohort assignment for the member as of the date of service of the claim.

**Table 1 – Data File Fields:**

Field Name	Field Information	Format
Billing Provider NPI	Billing Provider NPI	Number
Month of Service	The date of service must be formatted as 4-digit year and 2-digit month. “YYYYMM”	Text
Procedure Code	CPT or HCPCS code	Text
Procedure Code Modifier	The MCO should only report Modifier “26” for radiology services. All other services that are not radiology CPT codes with a populated Modifier should be left blank.	Text
Rate Cohort	<p>This should be the rate cohort assigned by HCA/MAD to the member for the month the service was incurred. If a member cohort is changed retroactively by HCA/MAD, the report should reflect the cohort assigned as of the date of the report.</p> <p><b>Acceptable values align with Financial Reporting Package Rate Cohorts:</b> 001, 002, 003, 004, 005, 006, 007, 008, 009, 010, 011, 012, 013, 300A, 300B, 300C, 301, 302A, 302B, 302C, 303, 304, 310, 312, 320, 322, 110, 111, 112, 114, 115, 116, 117, 118, 119, 120, 121, 122 (<i>113 does not exist</i>)</p>	Text
Paid Units	Units paid for the Procedure Code	Number
Paid Amount	Amount paid by the MCO for the procedure code	Number

**Table 2 – UNM Medical Group Billing Provider NPIs:**

1770879694	UNM DENTAL SERVICES
1841484763	UNM DENTAL SERVICES GROUP
1831218627	UNM MEDICAL GROUP INC
1851614432	CENTER FOR DEVELOPMENT & DISABILITY
1841453453	TRAUMA PROFESSIONAL SERVICES

**Table 3 – UNM Hospital Professional Group Billing Provider NPIs:**

1689747552	UNM Hospital Professional Group
1447464664	UMM Psychiatric Center

**Table 4 – Qualified Practitioners:**

Doctors of Medicine (including anesthesiologists)
Doctors of Osteopathy
Doctors of Podiatry
Doctors of Dentistry
Certified Registered Nurse Practitioners
Physician Assistants
Certified Nurse Midwives
Clinical Social Workers
Clinical Nurse Specialist
Board Certified Behavioral Analyst
Physical Therapist
Occupational Therapist
Speech Therapist
Audiologists
Licensed Professional Counselors
Clinical Psychologists
Optometrists
Pharmacists
Pharmacist Clinicians
Anesthesiologist Assistants
Certified Registered Nurse Anesthetists

**Table 5 - Data File Example:**

<b>Billing Provider NPI</b>	<b>Month of Service</b>	<b>Procedure Code</b>	<b>Procedure Code Modifier</b>	<b>Rate Cohort</b>	<b>Paid Units</b>	<b>Paid Amount</b>
1689747552	202601	99213		002	46	\$4,462.92
1831218627	202602	71250	26	003	92	\$4,781.24
1831218627	202603	57454		009	81	\$7,128.00

This LOD will sunset when direction is provided in one or more of the following: Turquoise Care Managed Care Services Agreement, Managed Care Policy Manual, NMAC, Systems Manual, or Behavioral Health Services Division (BHSD) Billing and Systems Manual. The LOD may also sunset upon HCA/MAD notification or completion of the Turquoise Care Program.