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Letter of Direction #61-2

Date: December 18, 2025

To: Turquoise Care Managed Care Organizations

From: Alanna Dancis, Acting Director, Medical Assistance Division 

Subject: Calendar Year (CY) 2026 New Mexico Ambulance Supplemental Payment Program (NM ASPP) Directed Payment
Repeal and Replace Turquoise Care LOD# 61-1

Title: CY 2026 New Mexico Ambulance Supplemental Payment Program Directed Payment

This Letter of Direction (LOD) is intended to repeal and replace LOD# 61-1 issued by the Health Care Authority/Medical Assistance Division (HCA/MAD) on November 15, 2025. The following Updates are included in this revised LOD:

- Addition of one (1) NM ASPP Emergency Ground Ambulance Service (EGAS) provider; totaling twelve (12) NM ASPP providers for CY 2026. See *ATTACHMENT A: CY26 ASPP EGAS PROVIDERS*
- Updated NM ASPP Directed Payment Operational and Reporting Requirements process; provider payments will be on a quarterly cadence.
- CY 2026 ASPP EGAS Provider Payment Dates

The NM ASPP is a state directed payment that promotes the delivery of high-quality Emergency Medical Services (EMS) to Medicaid patients. HCA/MAD has received approval from the Center for Medicare & Medicaid Services (CMS) for the NM ASPP effective January 1, 2026 - December 31, 2026. HCA/MAD intends to distribute the approved funding to Turquoise Care MCOs as described in this letter of direction.

New Mexico Ambulance Supplemental Payment Program Background

Since 2022, HCA/MAD has been working with Public Consulting Group (PCG) on the development and implementation of the NM ASPP. PCG is HCA/MAD's partnering consultant assisting all Emergency Ground Ambulance Services providers with their participation in the NM ASPP. Currently, the NM ASPP includes government owned Emergency Ground Ambulance Service providers only. The MCOs are not incurring fees associated with HCA/MAD's partnering consultant.

NM ASPP EGAS Providers

The provider class for this directed payment is defined as Government Owned Emergency Transport providers who are enrolled in Medicaid, provide and bill for EMS transports to Medicaid beneficiaries, and submit the required cost report annually. The EGAS providers that qualify for this directed payment are included in *ATTACHMENT A: CY26 ASPP EGAS PROVIDERS*.

Payment to the MCO

The NM ASPP Directed Payment is structured as a uniform dollar increase for ground ambulance services for the three (3) approved procedure codes below per EMS service/trip:

- A0427
- A0429
- A0433

MCOs do not need to update fee schedules with a uniform percentage increase as this is a separate payment term directed payment. To support the NM ASPP, funding will be provided to the MCOs based on actual utilization (number of paid claims) for services rendered quarterly during January 1, 2026 - December 31, 2026. The MCOs will distribute the separate payment term amount to contracted and non-contracted NM ASPP providers as directed by HCA/MAD.

NM ASPP EGAS Approved Ground Ambulance Procedure Codes

| Procedure Codes | Description | Modifiers |
|-----------------|---|---|
| A0427 | Ambulance Service, ALS, ER transport, Level 1 | DD, DE, DG, DH, DI, DJ, DN, DP, DR, DX, ED, EE, EG, EH, EI, EJ, EN, EP, ER, EX, GD, GE, GG, GH, GI, GJ, GN, GP, GR, GX, HD, HE, HG, HH, HI, HJ, HN, HP, HR, HX, ID, IE, IG, IH, II, IJ, IN, IP, IR, IX, JD, JE, JG, JH, JI, JJ, JN, JP, JR, JX, ND, NE, NG, NH, N, NJ, NN, NP, NR, NX, PD, PE, PG, PH, PI, PJ, PN, PP, PR, PX, RD, RE, RG, RH, RI, RJ, RN, RP, RR, RX, SD, SE, SH, SI, SJ, SN, SP, SR, SX |
| A0429 | Ambulance Service, BLS, ER Transport | U2 – 2 Patients U3 – 3 or More Patients |
| A0433 | Ambulance Service, ALS, ER transport, Level 2 | |

Calendar Year 2026 ASPP Payment Dates:

| Calendar Year 2026 | ASPP Payment to Providers: |
|-----------------------------|----------------------------|
| Q1 January 1-March 31, 2026 | *June 30, 2026 |
| Q2 April 1-June 30, 2026 | *September 30, 2026 |

| | |
|---------------------------------------|--------------------|
| Q3 July 1-September 30, 2026 | *December 31, 2026 |
| Q4 October 1-December 31, 2026 | *March 31, 2027 |

**Payment dates may change and may be paid retroactively based on timely completion of ASPP EGAS Provider Eligibility Requirements.*

NM ASPP Directed Payment Operational and Reporting Requirements

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 reflect 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 payments 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 ASPP EGAS providers 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 eligible NM ASPP providers by providing support to Medicaid beneficiaries to improve quality of care outcomes.
- Amounts paid by the MCO to NM ASPP EGAS providers 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 identify submission errors.
- The NM ASPP Shared Risk Arrangement (SRA), including Separate Payment Term Directed Payments should be reported in the “NM ASPP Directed Payment” column on the SRA Expense Detail worksheet in FIN Report #23.
- The NM ASPP separate payment term directed payment revenues can be reported in the Directed Payment Revenue worksheet, NM ASPP Directed Payment column in FIN Report #23.
- Reconciliations performed as part of the Turquoise Care 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 NM ASPP EGAS providers should not be included in encounter data submissions.

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.

If you have additional questions related to this Letter of Direction please email Rayna L. Fagus, Bureau Chief, Financial Management Bureau at rayna.fagus@hca.nm.gov and Wenona Padgett, Financial Analyst at wenona.padgett@hca.nm.gov.

Attachment A
CY26 ASPP EGAS Providers
Active Medicaid Providers

| CY26 ASPP EGAS Providers | NPI |
|--------------------------------------|------------|
| City of Albuquerque Fire Rescue Dept | 1689033250 |
| Artesia Ambulance Services | 1710987680 |
| Bernalillo County Fire and Rescue | 1538829585 |
| City of Clovis Ambulance Services | 1790763522 |
| Gallup Fire Department | 1053994194 |
| Las Cruces Fire Department | 1487188785 |
| City of Moriarty Fire Department | 1043348840 |
| Sandoval County Fire Department | 1063579506 |
| City of Santa Fe Fire Department | 1831263391 |
| Santa Fe County Fire Department | 1316940026 |
| Socorro Fire Department Ambulance | 1871691030 |
| Town of Grants Fire Rescue | 1700610714 |