

Letter of Direction # 9-1

Date: July 10, 2020

To: Centennial Care 2.0 Managed Care Organizations

From: Nicole Comeaux, Director, Medical Assistance Division

Subject: Directed Payment to UNM Medical Group and UNM Hospital Professional Group
Repeal & Replace LOD #9

Title: UNM Medical Group and UNM Hospital Professional Group Directed Payment



This LOD will repeal and replace LOD#9 *UNM Directed Payment*.

HSD has received Centers for Medicare and Medicaid Services (CMS) approval for the annual renewal of the directed payment in accordance with Section 438.6(c) for calendar year 2020 (CY20). In this LOD, HSD has added directed payments for the University of New Mexico Hospital Professional Group (UNMH-PG), streamlined the list of Billing Provider NPI's, revised the Qualified Practitioners list and updated the payment distribution dates.

Background

For the 2019 calendar year (CY19), the State of New Mexico Human Services Department (HSD) Medical Assistance Division (MAD) received approval from the Centers for Medicare and Medicaid Services (CMS) for a directed payment in accordance with Section 438.6(c) for UNM Medical Group (UNMMG). HSD has distributed the approved 2019 funding to the Centennial Care 2.0 (CC 2.0) managed care organizations (MCOs) as described in letter of direction #9 (LOD #9). The distribution of the payments by HSD were separate from the regular capitated payment and the MCOs have distributed the funds to UNM Medical Group.

For Calendar Year 2020 (CY20), CMS has approved a continuation of this program. However, HSD/MAD has added directed payments for the University of New Mexico Hospital Professional Group (UNMH-PG) providers in a similar manner as those for UNMMG and as outlined in this letter of direction.

Distribution of Directed Payments

Similar to CY19, MAD will make a payment to each MCO on a quarterly basis for CY20. The amount

of the payment each quarter will be based on emerging utilization data. For example, in April 2020 MAD will evaluate utilization by MCO, looking at claims with dates of service between January 1, 2020 and March 31, 2020 and use that as a basis to distribute the estimated quarterly payment funds to the MCO. Each subsequent quarter will include a look-back period to account for claims lag. The payment schedule is provided in the table below. For each quarter MAD will evaluate the data and update the directed payment distribution quarterly. This approach will:

- Provide MAD the opportunity to evaluate emerging data and more closely align the directed payment amounts to the MCO over a twelve (12) month period.
- Provide MAD with information for federal claiming, reporting Waiver expenditures and for inter-governmental transfer tracking purposes.

A final payment will occur during April 2021 to reflect three months of runout on the CY2020 time period.

Payment Distribution Schedule	Incurred and Paid Data Analysis Period
Directed Payment Date	
April 2020	1/1/20 – 3/31/20
July 2020	1/1/20 – 6/30/20
October 2020	1/1/20 – 9/30/20
January 2021	1/1/20 – 12/31/20
April 2021	1/1/20 – 12/31/20 (final reconciliation)

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 reflect applicable risk/margin and premium taxes.
 - MAD will provide each MCO 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 CC 2.0 Contract Amendment #2 (Section 7.2).
 - MAD directs each CC 2.0 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 MAD to the MCO by rate cohort.
 - MAD directs each CC 2.0 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 MAD to the MCO by rate cohort.

- 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 do not trigger submission errors.
- Reconciliations performed as part of the CC 2.0 MCO contract (Retroactive Period, Hepatitis C 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 CC 2.0 MCO is required to submit utilization and paid amounts by procedure code, rate cohort and month in which the service occurred for each month and as prescribed below. This data will be refreshed monthly and will be the source for quarterly directed payment amounts. 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.**

Acceptable File Formats:

- Delimited text file (*.txt or *.csv)
- Microsoft Access (*.accdb)

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. The National Provider Identification (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.
- 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 to provide professional services at a State-owned academic medical center as determined by HSD.
- Rate cohort assignment **must** be based on the cohort assignment for the member as of the date of service of the claim.
- Each run of the report should include a refresh of the prior reported data periods and include:
 - Changes that may occur in the member’s cohort assignment.
 - Removal of data when a member loses eligibility.
 - The amount paid by the MCO to the UNM Medical Group or UNMH Professional Group provider.

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-character year and 2-character 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	This should be the rate cohort assigned by MAD to the member for the month the service was incurred. If a member cohort is changed retroactively by MAD, the report should reflect the cohort assigned as of the date of the report. Acceptable values align with Financial Reporting Package Rate Cohorts: 001, 002, 003, 004, 005, 006, 007, 008, 009, 010, 011, 012, 300, 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>)	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
1831218627	UNM MEDICAL GROUP INC
1851614432	CENTER FOR DEVELOPMENT & DISABILITY

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 (excluding 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

Table 5 - Data File Example

Billing Provider NPI	Month of Service	Procedure Code	Procedure Code Modifier	Rate Cohort	Paid Units	Paid Amount
1689747552	201901	99213		002	46	\$4,462.92
1831218627	201902	71250	26	003	92	\$4,781.24
1831218627	201902	57454		009	81	\$7,128.00