




HEALTH CARE
AUTHORITY

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Letter of Direction #25

Date: October 18, 2024

To: Turquoise Care Managed Care Organizations

From: Dana Flannery, Director, Medical Assistance Division 

Subject: HHS OIG Personal Care Services (PCS) Audit Remediation

Title: HHS OIG PCS Audit

On August 27, 2024, the federal Department of Health and Human Services Office of the Inspector General (HHS OIG) issued its final report, “*New Mexico Did Not Ensure Attendants Were Qualified to Provide Personal Care Services, Putting Medicaid Enrollees at Risk.*” The Health Care Authority (HCA) is required to remediate all deficiencies and ensure that going forward, attendants meet HCA requirements for personal care services (PCS) as outlined in Section 8 of the Managed Care Policy Manual. There are several areas for remediation, and MCOs are directed to provide oversight of their contracted PCS providers to ensure compliance with all state and federal requirements.

In the Medicaid Managed Care Services Agreement, MCOs are required to monitor all Community Benefit providers.

4.5.7.7 The CONTRACTOR shall monitor the provision of all Community Benefits to ensure provider compliance with all applicable federal HCB settings requirements. The CONTRACTOR must conduct monitoring activities to ensure that all Community Benefit providers, including SDCB employees meet provider requirements per the Managed Care Policy Manual, including individual attendant/Caregiver requirements. The monitoring activities may not be delegated to the provider.

4.5.7.7.1 The CONTRACTOR must perform annual audits of all contracted Agency-Based Community Benefit (ABCB) providers using an audit tool that is approved by HCA. The CONTRACTOR shall collaborate with other MCO CONTRACTORS to develop an audit schedule that ensures that all ABCB providers are audited only once per calendar year.

To ensure remediation of HHS OIG findings, the MCOs shall:

- Jointly develop and distribute an annual PCS newsletter that is approved by HCA to their contracted PCS providers by December 31st of each year. The draft newsletter must be sent to HCA by November 30th of each year. The first draft newsletter is due to HCA by November 30, 2024, and must include a link to the HHS OIG report, and any other guidance or training materials issued by the MCOs to providers.
- Jointly develop and present bi-annual training to all PCS providers. Trainings must be provided with in-person and remote attendance capability and must be recorded and available for provider review. Presentations must be sent to HCA for approval 30 calendar days prior to the training date. The bi-annual training will begin in calendar year 2025.
- Issue guidance letters and other training materials such as recorded webinars to increase PCS providers' understanding of attendant qualification requirements.
- Train new providers to ensure that they understand the requirements prior to providing services.
- Monitor PCS provider compliance with attendant qualifications, including those related to criminal background checks, abuse registry checks, TB tests, initial written competency tests, annual training, and CPR and first aid certifications.
- Take corrective action against providers that do not ensure that attendants comply with qualification requirements, which could include removing providers that repeatedly fail to comply with HCA and legal requirements. Jointly or individually develop a procedure for implementing PCS agency corrective action plans up to provider contract termination for failure to correct identified concerns. Implement the procedure in calendar year 2025 upon HCA review and approval.
- Incorporate the Agency-Based Community Benefit (ABCB) annual provider audits as a compliance initiative within the MCO's annual compliance plan and submit an evaluation of the effectiveness of any implemented corrective actions.
- Jointly create and develop an audit process/audit form specifically for PCS providers to ensure that the PCS Agencies follow the program requirements as set forth in MCO Policy Manual Section 8.

This LOD will sunset when the information above is incorporated into the MCO contract and/or the Managed Care Policy Manual.