HEALTH CARE AUTHORITY

Michelle Lujan Grisham, Governor
Kari Armijo, Secretary
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Letter of Direction #34

Date: **November 22, 2024**

To: **Turquoise Care Managed Care Organizations**

From: **Dana Flannery, Director, Medical Assistance Division**

Subject: **Directed Payment to UNM Medical Group and UNM Hospital Professional Group**

Title: **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 directed payment in accordance with Section 438.6(c) for July 1, 2024- December 31, 2024. In this Letter of Direction (LOD), HCA has updated the payment distribution dates for July 1, 2024 – December 31, 2024. The UNMMG and UNMH-PG quality measure evaluation will be for the entire Calendar Year (CY)24.

Background
Since CY2019, MAD has received annual approval from CMS for this directed payment in accordance with Section 438.6(c) for UNM Medical Group (UNMMG). For July 1, 2024 – December 31, 2024, CMS has approved the continuation of this program and HCA intends to distribute the approved funding to the Turquoise Care (TC) managed care organizations (MCOs) as described in this LOD. The distribution of the payment by HCA will be separate from the regular capitated payment and the MCOs will distribute the funds to UNMMG and UNMH-PG.

Distribution of Directed Payments
MAD will make a payment to each MCO on a quarterly basis. The amount of the quarterly payment for each MCO will be based on emerging utilization data. For example, in October 2024 MAD will evaluate utilization by MCO for the period between July 1, 2024, to September 30, 2024, 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 to 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 six (6) month period.
- Provide MAD with information for federal claiming, reporting Waiver expenditures and for inter-governmental transfer tracking purposes.

Final payment will occur April 2025 to reflect three months of runout on the July 1, 2024 – December 31, 2024, time period.

Payment Distribution Schedule Directed Payment Date	Incurred and Paid Data Analysis Period
November 2024	7/1/24 – 9/30/24 (CY24 Q3)
February 2025	10/1/24 – 12/31/24 (CY24 Q4 & CY24 Q3 Reconciliation)
May 2025	7/1/24 – 12/31/24 (CY24 Q3-Q4 Final Reconciliations)

Evaluation Plan Metrics

The measures and performance targets for the evaluation plan were determined in conjunction with the provider based on a review of current performance by the provider with the objective of setting reasonably achievable goals for performance improvement. After the end of the year, the provider 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 on a quarterly basis of any gaps in care, that align with the performance measures, the MCO has identified for members attributed to UNMMG providers**. Note that the providers' performance against the performance targets does not impact eligibility for the uniform percent increase on utilization during the July 1, 2024 – December 31, 2024, rating period. The below table features the metrics, baselines, and improvement targets for the program for CY24:

Measure	Baseline (Prior 12-month average through August 2020)	Performance Target (CY2024)
Well Child Visits – First 15 Months (W15)	58%	70%
Antidepressant medication management (AMM) Continuous Phase	28%	39%
Childhood Immunization Status (CIS) Combo 3	49%	72%
Weight Assessment and Counseling for Nutrition and Physical Activity for Children/Adolescents (WCC)	2%	58%
Comprehensive diabetes care HbA1c poor control >9	30%	29%

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 MEDICAID MANAGED CARE SERVICES AGREEMENT.
    - MAD directs each TC 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 TC 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.
    - MAD directs the TC 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 do not trigger submission errors.
- Reconciliations performed as part of the TC 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 TC 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. Data is due each quarter. **MCOs must submit the data no later than ten (10) business days after the last business day of the prior quarter. MCOs must continue reporting data beyond the respective calendar year unless otherwise directed by HCA**. MCOs must submit the electronic version of paid claim files to HCA'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)
•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 including contracted practitioners providing services at UNMMG and UNMH locations and UNMMG and UNMH 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 CY22.
- 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.
- 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 for a previously reported date of service if the individual was not Medicaid eligible on that date of service.
    - 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, 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 (***113 does not exist)***	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:

Billing Provider NPI	Month of Service	Procedure Code	Procedure Code Modifier	Rate Cohort	Paid Units	Paid Amount
1689747552	202407	99213		002	46	$4,462.92
1831218627	202408	71250	26	003	92	$4,781.24
1831218627	202408	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 BHSD Billing and Systems Manual. The LOD may also sunset upon HCA notification or completion of the Turquoise Care Program.