




Michelle Lujan Grisham, Governor
Kari Armijo, Acting Secretary
Lorelei Kellogg, Acting Medicaid Director

Letter of Direction #83-1

Date: September 28, 2023

To: Centennial Care 2.0 Managed Care Organizations

From: Lorelei Kellogg, Acting Director, Medical Assistance Division 

Subject: Health Care Quality Surcharge (HCQS) Per Diem and Market Basket Index (MBI) Increase for State Fiscal Year (SFY) 2024
Repeal and Replace LOD #83

Title: HCQS Per Diem and MBI Increase for SFY 2024

Background

The purpose of this Letter of Direction (LOD) is to provide instructions to the Centennial Care Managed Care Organizations (MCOs) for implementing the Health Care Quality Surcharge (HCQS) Per Diem and Market Basket Index (MBI) increase for State Fiscal Year (SFY) 2024 (July 1, 2023 through June 30, 2024) as required by New Mexico statute, §7-41-4 and §7-41-6 NMSA 1978, originally enacted under Senate Bill 246 (SB246) during the 2019 Regular Legislative Session. In accordance with SB246 statutory requirements, the Per Diem and MBI will be adjusted on July 1st of each year. HSD has provided detailed instructions for the implementation of the HCQS in the letter of direction #32 (LOD #32). This LOD does not replace or supersede the direction in LOD #32. Besides the changes noted in this LOD, the MCOs are required to continue to follow the direction in LOD #32.

Nursing Facility Per Diem and MBI increases effective July 1, 2023

Retroactive to July 1, 2023, the MCOs are directed to implement Medicaid rate increases to nursing facilities (NFs) into categories as follows:

1. Revised uniform per diem rate increases based on the class of facility; this amount replaces the amount indicated in LOD 65:
 - Class 1 - <60 beds – exempt from surcharge: No per diem rate increase;
 - Class 2 - 60 or more beds and <90,000 Medicaid bed days: \$24.39/Medicaid bed day; and
 - Class 3 - 60 or more beds and 90,000 or more Medicaid bed days: \$8.54/Medicaid bed day.
2. Market Basket Increase (MBI) of 5.4% (0.054) for each facility. This amount is calculated before the per diem increase add-on cited above. This amount shall be in addition to the MBI increase indicated in LOD 47, which should already be incorporated in the Nursing Facility's

July 2020 through June 2021 rate in effect, LOD 65 which should already be incorporated in the Nursing Facility’s July 2021 through June 2022 rate in effect, and LOD 83 which should already be incorporated in the Nursing Facility’s July 2022 through June 2023 rate in effect. The operational formula associated with the MBI increase is as follows:

$$\text{July 2022 through June 2023 Nursing Facility Rate} * (1+0.054) + \text{Uniform per diem} = \text{July 2023 through June 2024 Nursing Facility Rate}$$

The MCOs are directed to increase NF per diem rates by the uniform percentage MBI factor and the uniform per diem add-on for utilization for both short-term and long-term bed days incurred by Medicaid members retroactive to July 1, 2023.

Inclusion of the HCQS Program in MCO Capitation Rates

To support the HCQS MBI increase, HSD has increased the capitated rates for impacted cohorts in the Physical Health (PH), Long-Term Services and Supports (LTSS), and Other Adult Group (OAG) programs. The payment has been calculated based on the program allocation and the distribution of affected members. The MCOs will begin receiving the increased capitation for these cohorts retroactive to July 1, 2023.

Payment Distribution Schedule

All quality payments for SFY24 will be made based on the distribution schedule below:

Quality Period	Deadline to Pay NFs
January 1, 2023 – March 31, 2023	July 30, 2023
April 1, 2023 – June 30, 2023	October 29, 2023
July 1, 2023 – September 30, 2023	January 28, 2024
October 1, 2023 – December 31, 2023	April 29, 2024

Attachment:

1. Healthcare Facility Classifications – July 1, 2023

This LOD will sunset upon termination of the Centennial Care 2.0 Medicaid Managed Care Services Agreement.

LOD 83-1 - ATTACHMENT 1 - HEALTHCARE FACILITY CLASSIFICATIONS
 JULY 1, 2023

Provider ID	Provider Name	Provider NPI	FEIN	DOH License	Beds	Class
82551839	ADVANCED HEALTH CARE OF ALBUQUERQUE	1629244124	260886501	1078	47	Class 1
21301221	ALBUQUERQUE HEIGHTS HEALTHCARE AND REHAB CENTER	1629260781	260675040	1069	134	Class 2
95074759	ARTESIA HEALTHCARE AND REHABILITATION CENTER	1770113722	843356492	4115	65	Class 2
82955085	AZTEC HEALTHCARE	1003471541	834668531	4093	86	Class 2
37900226	BEAR CANYON REHABILITATION CENTER	1902098072	208386337	1066	178	Class 2
53508319	BELÉN MEADOWS HEALTHCARE AND REHAB CENTER	1528250685	260675094	1071	120	Class 2
37134302	BLOOMFIELD NURSING AND REHAB	1134607690	364905637	4054	95	Class 2
82555320	CABEZON NURSING AND REHAB CENTER (THE SUITES RIO VISTA)	1295238418	824778648	4046	136	Class 2
10207830	CALIBRE POST ACUTE	1972133924	843340121	4118	120	Class 2
33759014	CANYON TRANSITIONAL REHAB CENTER LLC	1326230483	260675157	1070	74	Class 2
49537539	CASA ARENA BLANCA NURSING CENTER	1972690154	200044148	1024	117	Class 2
59602295	CASA DE ORO CENTER	1295780146	200068615	1031	158	Class 2
72952032	CASA DEL SOL CENTER	1164476008	710950059	1032	62	Class 2
46450840	CASA MARIA HLTHCARE AND PECOS VALLEY	1881781060	200040399	1023	118	Class 2
20326327	CASA REAL	1629556188	384089170	4053	118	Class 2
60532327	CEDAR RIDGE INN	1669038832	384118373	4096	101	Class 2
51671808	CLAYTON NURSING AND REHAB	1730668880	371905331	4052	45	Class 1
47952563	CLOVIS HEALTHCARE AND REHABILITATION CTR LLC	1225220387	260675210	1073	90	Class 2
08925879	COLFAX GENERAL LTC	1073749487	264644021	5041	33	Class 1
64704297	DESERT SPRINGS HEALTHCARE	1366007809	834668049	4091	80	Class 2
22757279	DIAMOND CARE SANTA FE LLC	1093280281	832043051	4068	120	Class 2
80574327	DIAMOND CARE VIDA ENCANTADA LLC	1467760892	273427869	1083	102	Class 2
76808700	FIESTA PARK WELLNESS & REHABILITATION	1518600949	881602183	7132	105	Class 2
51972786	FORT BAYARD MEDICAL CENTER	1982730669	856000565	5011	200	Class 2
00010563	GOOD SAMARITAN CENTER-SOCORRO	1164413688	450228055	5108	61	Class 2
00010233	GOOD SAMARITAN SOCIETY BETTY DARE	1396726063	450228055	5033	90	Class 2
00010621	GOOD SAMARITAN SOCIETY LAS CRUCES	1730179565	450228055	5116	94	Class 2
00010449	GOOD SAMARITAN SOCIETY-MANZANO DEL	1427030436	450228055	5081	117	Class 2
00010316	GRANTS GOOD SAMARITAN CTR	1447241005	450228055	5052	80	Class 2
00011567	HEARTLAND CONTINUING CARE CENTER	1477534261	710908540	5232	80	Class 2
00010100	LA VIDA LLENA LIFECARE	1972500957	850282570	5061	50	Class 1
09280740	LADERA CARE AND REHABILITATION CENTER	1932153855	850484183	1037	120	Class 2
00010365	LAGUNA RAINBOW CORPORATION	1316926041	850287581	5063	58	Class 1
79726801	Las Cruces of Cascadia	1982294427	861545560	7030	50	Class 1
61158569	Las Estancias by Pure Health	1700523750	882015599	7150	120	Class 2
93303254	LAS PALOMAS CENTER	1780639617	850484183	1038	120	Class 2
00011275	LIFE CARE CENTER OF FARMINGTON	1760422596	621630069	5157	140	Class 2
40480895	LOVINGTON HEALTHCARE	1700441243	834668447	4090	62	Class 2
81629800	MCKINLEY CARE/REHABILITATION CTR	1699720227	710950063	1040	62	Class 2
67601081	MESCALERO CARE CENTER	1609816206	680542483	2026	40	Class 1
00011286	MIMBRES MEMORIAL NURSING HOME	1073584579	850438008	5158	66	Class 2
00010472	MINERS COLFAX MEDICAL CENTER	1871630665	850323546	5083	37	Class 1
62221001	MISSION ARCH CARE/REHABILITATION CT	1952355885	200068604	1035	120	Class 2
00010480	NEW MEXICO STATE VETERANS HOME	1942287370	856000565	5087	135	Class 2

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 JULY 1, 2023

Provider ID	Provider Name	Provider NPI	FEIN	DOH License	Beds	Class
00010381	NORTHGATE UNIT OF LAKEVIEW	1487644464	850160614	5088	112	Class 2
12830887	Odelia Healthcare	1811552359	834664407	4089	119	Class 2
2983834	PRINCETON PLACE/WW HEALTHCARE, LLC	261586791	1003091521	1077	369	Class 2
76081702	RED ROCKS CARE CENTER	1356820419	364906274	4055	102	Class 2
80507816	REHABILITATION CENTER OF ALBQ LLC	1699967760	260675426	1068	120	Class 2
00010514	RETIREMENT RANCHES INC	1528059011	850159406	5092	104	Class 2
48279315	RIO RANCHO CENTER	1659325504	850484183	1041	120	Class 2
11802260	SAN JUAN CENTER	1942255880	710950065	1042	93	Class 2
99852225	SANDIA RIDGE CENTER LLC	1447442512	208386810	1065	136	Class 2
00010555	SIERRA HEALTH CARE CENTER	1235132820	621147405	5107	94	Class 2
85704709	SILVER CITY CARE CENTER	1992284053	301116161	4056	100	Class 2
69930325	SKIES HEALTHCARE AND REHAB CTR LLC	1932391745	260675263	1067	120	Class 2
00010571	SOMBRILLO NURSING FACILITY	1730117722	850286440	5180	64	Class 2
75120232	SOUTH VALLEY CARE CENTER LLC	1124059084	204998095	1053	58	Class 1
29183324	SPANISH TRAILS REHABILITATION SUITES	1821536087	320468361	1102	134	Class 2
65708270	ST ANTHONY HLTHCARE & REHAB CTR LLC	1720270887	260675327	1072	70	Class 2
00010126	STATE OF (NM BEHAVIORAL HEALTH INSTITUTE)	1992867998	850390576	5067	176	Class 2
87001055	SUNSET VILLA CARE CENTER	1013004209	200044154	1021	52	Class 1
10477098	TAOS HEALTHCARE	1306517362	872572425	7102	100	Class 2
81080557	THE NEIGHBORHOOD IN RIO RANCHO	1609231448	471462853	4005	72	Class 2
65050703	THE VILLAGE OF NORTHRISE DESERT WILLOW/PEAK MEDICAL ASSISTED LIVING LLC	1194772939	522088942	5841	31	Class 1
63083523	UPTOWN REHABILITATION CENTER	1700078870	260675370	1064	134	Class 2
19708394	WHITE SANDS HEALTHCARE	1265097703	834664537	4092	118	Class 2