HEALTH CARE AUTHORITY

Michelle Lujan Grisham, Governor
Kari Armijo, Secretary
Alex Castillo Smith, Deputy Secretary
Kathy Slater Huff, Deputy Secretary
Kyra Ochoa, Deputy Secretary
Dana Flannery, Medicaid Director

Date: May 13, 2025

To: Gabriel Parra, CEO, Presbyterian Health Plan (PHP)

From: Charles Canada, Acting Bureau Chief, Managed Care Oversight Bureau and Compliance, Medical Assistance Division (MAD)
CC: Dana Flannery, MAD Director, Alanna Dancis, MAD Chief Medical Officer, Kathy Leyba, Quality Bureau Chief, Charles Canada, Acting Compliance Unit Bureau Chief, and Jennifer Jones, Deputy Bureau Chief, Managed Care Oversight Bureau

Subject: Administrative Action – Corrective Action Plan (CAP) Children in State Custody (CISC) Provider Network

The New Mexico Health Care Authority/Medical Assistance Division (HCA/MAD) has determined that Presbyterian Health Plan (PHP) has failed to meet requirements of its Turquoise Care Medicaid Managed Care Services Agreement (MSA) and the Kevin S. Final Settlement Agreement (FSA), to ensure a comprehensive network that provides timely, covered, and medically necessary services to CISC members, particularly for high acuity members. As a result, and pursuant to MSA Section 7.3, Failure to Meet Agreement Requirements, HCA is requiring PHP to develop and submit a CAP to address all areas of non-compliance and show meaningful and sustained progress in expanding the CISC network and ensuring the timely and comprehensive delivery of services to CISC members.

PHP is the sole contractor responsible for providing Medicaid-covered services to CISC members and pursuant to MSA 4.24.7.2 must ***"expand its provider network and shape provider expertise to meet the unique and complex needs of CISC Members and maximize the availability of community-based, Trauma-responsive services to reduce the unnecessary utilization of inpatient, emergency room, and out-of-home/out-of-State services."*** PHP is responsible for ensuring a continuum of medically necessary care, including behavioral health services, to address an array of member acuity needs ranging from inpatient to community or home-based care. PHP, per MSA 4.8.8.6.4 must ensure the timely delivery of these services pursuant to the following timeliness standards: ***"For non-urgent Behavioral Health care, the request-to-appointment time for an initial assessment shall be no more than seven (7) Calendar Days, unless the Member requests a later time. The request-to-appointment time for Behavioral Health care following an initial assessment shall be no more than seven (7) Calendar Days, unless the Member requests a later time. All non-urgent Behavioral Health care follow-up appointments shall be available within thirty (30) Calendar Days of the request."*** Furthermore, MSA *4.8.8.6.5* requires that ***"primary medical, dental, and Behavioral Health care outpatient appointments for urgent conditions shall be available within twenty-four (24) hours."***

Finally, MSA 4.8.8.5 via Attachment 5, articulates clear network/distance requirements for members requiring Treatment Foster Care (TFC) (level 1 or 2):

- ***"Ninety percent (90%) of Urban Members shall travel no farther than thirty (30) miles***
- ***Ninety percent (90%) of Rural Members shall travel no farther than sixty (60) miles[1]***
- ***Ninety percent (90%) of Frontier Members shall travel no farther than ninety (90) miles[2]"***

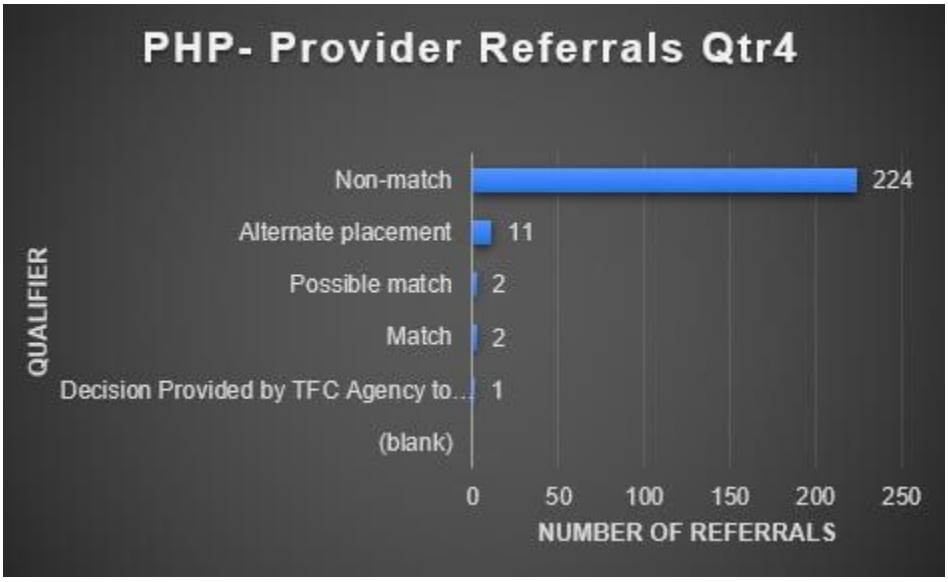
In addition to ensuring a comprehensive network, PHP must mandate a ***"no reject, no eject provision"*** in provider agreements, pursuant to MSA 4.9.2.51, for: ***"Accredited residential treatment centers (ARTCs), residential treatment centers (RTCs), group homes, and TFC Providers"*** and track and report to HCA and Children's, Youth, and Families Department (CYFD) if a CISC member is not accepted into service(s), and/or is prematurely discharged. Further, PHP must proactively implement measures to ensure providers are not denying entry or prematurely discharging members for reasons other than medical necessity (such as for lack of bed availability, age, gender, behaviors, etc.).

Under MSA 4.24.5.2, ***"The CISC CONTRACTOR shall comply with standards and reporting requirements associated with the CISC settlement agreement as identified by HCA."*** PHP has been involved in ongoing discussions and technical assistance with state leadership on efforts to expand and improve access and availability of services for CISC members. This includes ongoing meetings related to the Kevin S. litigation, meetings with CYFD and HCA leadership. Further, HCA Secretary Kari Armijo and Medicaid Director, Dana Flannery required PHP in May 2024 to develop a remediation plan outlining PHP's effort to address the above concerns. The remediation plan required PHP to assess its performance in executing and meeting the commitments made in the Kevin S. FSA.

Failure to Comply

Based on PHP's response to the remediation plan in June 2024, and HCA's ongoing monitoring of PHP's progress, HCA has deemed unsatisfactory progress for providing an adequate network for the CISC population and unsatisfactory responses to the remediation plan. Data reported by PHP indicates that CISC population member outcomes are not improving, that these children are not receiving timely Well-Child Visits (WCVs), and that medically necessary services, such as admission to referred TFC placements are not being provided pursuant to the MSA expectations cited above, resulting in emergency placements, unnecessary inpatient utilization, long-term out-of-state residential treatment without a clear plan for moving children to lower levels of care, and placement of children in medically inappropriate and potentially unsafe settings such as CYFD offices and shelters.

Data reviewed through HCA and PHP remediation plan discussions, PHP response submissions of the remediation plan, and report submissions such as the Quarterly TFC Report with CY2024 Q4 data submitted on February 25, 2025, is prompting HCA to administer a CAP directly tied to PHP's performance. The quarterly report indicates that PHP providers denied 74% of TFC referrals, after medical necessity was determined, based on a "non-match" qualifier; this is contrary to the "no reject, no eject provision" outlined above. Only 11 of the 240 referrals were found alternative placements. This illustrates that PHP is failing to provide an adequate network and provide medically necessary services at the appropriate level of care for CISC members.



It is PHP's responsibility to recruit and retain a comprehensive network of providers, including TFC providers, to provide an array of timely, medically necessary services for CISC members. CISC members often face immense challenges, including high rates of trauma and disruption. It is crucial to HCA and the state of New Mexico that appropriate care is provided timely and per the expectations established in the MSA.

Required Actions

PHP must develop a comprehensive CAP that includes and expands upon PHP's June 2024 remediation plan response. The plan must address planned and completed PHP interventions, timelines, progress in meeting those timelines, barriers and challenges, and how efforts have, or are expected to improve CISC member outcomes. In addition, PHP must meet with HCA staff to review the CAP letter and ongoing reporting expectations prior to the first CAP submission.

CAP submissions are due monthly by the 30th of the month, covering activities from the prior month. The first report should include efforts and data dating from July 1, 2024 through May 31, 2025, with future reports providing updates on activities completed or initiated during the previous month. HCA requires that PHP provide a designated single point-of-contact for CAP implementation and reporting. At a minimum, the following items must be included in each CAP submission. Include items in separately labeled sections corresponding to each paragraph and subparagraph as follows:

1. **Behavioral Health Continuum of Care**

    A. Complete or update a behavioral health network gap analysis for CISC members including a county-by-county map of the behavioral health provider network, number of PHP enrolled CISC members by county, and identify critical gaps by county in access to behavioral health services.
    B. Where gaps exist, describe short-term and long-term strategies, with timelines, describing how PHP will address provider shortages and ensure access to care.

C. Describe how PHP is monitoring providers to ensure they are meeting appointment timeliness standards, as outlined in MSA 4.8.8.6 and 4.8.8.6.5.
D. Report attendance percentage of PHP involvement in leadership grand rounds.
E. Submit oversight procedures and a monthly report for in-state and out-of-state CISC members, including but not limited to:
    a. Individual CISC medical record reviews, completion dates, staff responsible, and frequency of reviews
    b. Discharge planning indicating inclusion of CYFD
    c. Escalation from care coordinators to PHP leadership of issues/concerns with placements or clinical concerns with child placement, with timeframes
    d. Dates PHP has monitored placement facilities to ensure safety and efficacy of emergency placements; in-person care coordination visits, include staff responsible and frequency
    e. Oversight of routine care for CISC members, include dates of follow-ups, provider types, completed coordination, and internal monitoring efforts
    f. Submission of process improvements to interagency critical incident review (CIR) communication, including timeframes, oversight, and infrastructure to the monitor the CIR process.

2. Efforts to Bring Children Placed Out-of-State Back to New Mexico

A. Narrative of monthly efforts that ties to out-of-state reporting in 1E (a-f).
B. Specific plan for children who have been in out-of-state RTC for longer than 90 days. The plan should include but not be limited to individuals involved, staffing dates, coordination with in-state placements, and if no facility has been determined, efforts to meet the medically necessary needs of the child in-state.

3. Pharmacy

A. Submission of PHP's data dashboard reviewing and monitoring medications, polypharmacy and psychotropic medications for CISC members.
B. Submission of oversight policies and procedures, including frequency of PHPs oversight of polypharmacy and psychotropic utilization.

4. Network Adequacy

A. Efforts to review and expand TFC and the CISC network, including family-based placements with supportive services and immediate crisis care services for children, resource families, and TFC providers to leverage prior to disruption.
B. Month-over-month numbers of identified (i.e., non-contracted), existing (i.e., contracted), and newly contracted providers (i.e., those with signed agreements within the reporting month) serving the CISC population. Identify in-state, in-network, out-of-network providers, and those with single-case agreements who provide services to CISC members for the following:
    a. Inpatient Acute Care
    b. Residential Facilities/Treatment Programs

c. TFC Providers
d. Partial Hospitalization Programs
e. Intensive Outpatient Programs
f. Day Treatment Services
g. Rural Health Clinics providing Behavioral Health Services
h. Non-Accredited RTC and Group Homes providing Behavioral Health Services
i. Indian Health Service and Tribal 638s providing Behavioral Health Services
j. Outpatient Service Providers, including High-Fidelity Wraparound, Crisis Services and Evidenced-Based Practice Capacity

C. Describe the barriers and solutions PHP operationalized or will implement to expand the provider network. Include any innovations with building and maintaining placements and meeting the needs of the CISC population. Details must include:
   a. The number of contacts/outreaches made with non-contracted TFCs
   b. Interventions/supportive services provided to members to maintain and support emergency placements
   c. Summary of workforce expansion efforts and data, as identified in PHP's recruitment plan
   d. Dates and brief content summaries of meetings with Mesilla Valley Hospital, the University of New Mexico, and Presbyterian delivery system
   e. Results of the meetings and dates of new contracts/initiated contracts, including expanded capacity to improve access to care for CISC in New Mexico
   f. Five actions/solutions, with implementation timeframes to proactively address impediments to TFC placements or network capacity issues
D. Describe PHP's infrastructure and oversight procedures to monitor ongoing network sufficiency
   a. Submit policy and procedures for all staff to follow to escalate and resolve network inadequacies.
E. Describe how PHP is monitoring and leveraging the current network to improve access to WCVs for children at risk of not receiving a WCV within 30 days of entry into state custody. Data should include and identify WCVs provided by in-state and out-of-state providers.

The first CAP submission containing information from July 1, 2025 through May 31, 2025 must be submitted by close of business on June 30, 2025 to HCA-MCODeliverables@hca.nm.gov.

Ongoing information must be submitted no later than the close of business by the 30th of each month to HCA-MCODeliverables@hca.nm.gov.

Failure to adequately report in adherence to CAP instructions or to demonstrate meaningful progress to correct the deficiencies outlined in this letter may result in additional administrative actions, up to and including sanctions, pursuant to MSA section 7.3.

If you have any questions, please contact your contract manager.

Charles Canada

New Mexico Health Care Authority
Acting Bureau Chief, Managed Care Oversight Bureau and Compliance
Charles.canada@hca.nm.gov