



Michelle Lujan Grisham, Governor
Kari Armijo, Secretary
Alex Castillo Smith, Deputy Secretary
Kathy Slater Huff, Deputy Secretary
Niki Kozlowski, Acting Deputy Secretary
Dana Flannery, Medicaid Director

November 26, 2025

RE: Tribal Notification to Request Advice and Comments Letter 25-21: Medicaid Recovery Audit Contractor (RAC) Program.

Dear Tribal Leadership, Indian Health Service, Tribal Health Providers, and Other Interested Parties:

Seeking advice and comments from New Mexico's Indian Nations, Tribes, Pueblos and their health care providers is an important component of the government-to-government relationship with the State of New Mexico. In accordance with the New Mexico Health Care Authority (HCA) Tribal Notification to Request Advice and Comments process, this letter is to inform you that HCA's Medical Assistance Division (MAD) is providing public notice on its plans to submit a State Plan Amendment (SPA) to the Centers for Medicare & Medicaid Services (CMS). New Mexico's two-year exception to discontinue the Recovery Audit Contractor (RAC) Program is expiring on September 30, 2025 and New Mexico is requesting to resume RAC for the purpose of identifying underpayments and overpayments effective October 1, 2025.

The estimated total financial impact is \$(122,584,000) in federal funds for FFY 2026 and \$(117,925,500) in federal funds for FFY 2027.

Tribal Impact

The HCA does not anticipate any impact for Indian Nations, Tribes, and Pueblos and their health care providers with this change.

Tribal Advice and Comments

Tribes and their healthcare providers may view the proposed changes on the HCA webpage at: <https://www.hca.nm.gov/providers/written-tribal-notification-letters/> **25-21: Medicaid Recovery Audit Contractor (RAC) Program.**

Written comments may be submitted, and Tribal Leadership may request a government-to-government consultation by **5:00 p.m. Mountain Time (MT) on December 26, 2025**. Please direct your comments and requests for consultation to the MAD Native American Liaison, Theresa Belanger, at (505) 670-8067, or by email at: Theresa.Belanger@hca.nm.gov. All written comments received will be posted on the New Mexico Medicaid website at: <https://www.hca.nm.gov/providers/written-tribal-notification-letters/> along with this notification letter. The public posting will include the name and contact information provided by the commenter.

OPPORTUNITY TO VIEW DOCUMENTS

The complete draft amendment may be found on the New Mexico Medicaid website at: <https://www.hca.nm.gov/comment-period-open-2025/>. A written copy of these proposed documents may be requested by contacting the HCA/MAD in Santa Fe at (505) 827-1337.

Copies of all comments will be made available by HCA/MAD upon request by providing copies directly to a requestor, by making them available on the HCA/MAD website, or at a location within the county of the requestor.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Dana Flannery', with a stylized flourish at the end.

Dana Flannery
State Medicaid Director