



HEALTH CARE  
AUTHORITY

Michelle Lujan Grisham, Governor  
Kari Armijo, Secretary  
Dana Flannery, Medicaid Director

January 23, 2025

**RE: Tribal Notification to Request Advice and Comments Letter 25-03: Medical Respite Rate**

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’s (HCA’s) Tribal Notification to Request Advice and Comments process, this letter is to inform you that HCA, through the Medical Assistance Division (MAD), is accepting written comments until **5:00 p.m., Mountain time (MT) on February 26, 2025**, regarding the posting of a rate for Medical Respite services.

HCA is required by the Centers for Medicare and Medicaid Services to post the payment rate for the Turquoise Care Medical Respite service in accordance with New Mexico’s State Plan Amendment public comment process. This is required per Turquoise Care 1115 Waiver Special Terms and Conditions (STCs) section 10.4 on Health-Related Social Needs (HRSN) services. CMS must approve the rate methodology for Medical Respite before services can be billed to Medicaid.

Medical Respite is acute and post-acute care for people who are homeless and too ill to recover from sickness or injury on the street or in a shelter, but not sick enough to warrant a hospital level of care.

**Estimated Total Financial Impact** — \$3.6 million for the State share has been proposed in the Governor’s budget for SFY 2026. HCA will continue to request funding for this initiative from the legislature on an annual basis.

The table below outlines the proposed Medical Respite rate. Future sites will be organized into rate tiers depending on the National Institute for Medical Respite Care (NIMRC) model of medical respite care, and rates will be revised according to service tier.

**HCA submitted this medical respite rate methodology to CMS on December 2, 2024, for a proposed effective date of February 1, 2025. The final effective date will depend on CMS timely review and approval.**

**Service Rate**

<b>Service Description</b>	Short-term post-hospitalization housing with room and board for up to six months per rolling year, where integrated, clinically-oriented recuperative or rehabilitative services and supports are provided.
<b>Rate</b>	\$331
<b>Unit of Service</b>	Per Diem
<b>HCPCS Billing Code</b>	T1002, T2033
<b>Delivery System and Payment</b>	Fee-for-Service and Managed Care non-risk fee schedule payment

**Tribal Impact** — Tribal Medicaid Members (in both Managed Care and Fee-for-Service) will have access to Medical Respite Services if they are experiencing homelessness and need a safe place to recuperate after being discharged from a qualifying facility. One site is currently active in Albuquerque, and nine other sites are anticipated to be implemented by 2029. Tribes, Nations, and Pueblos will also have the opportunity to partner with HCA and implement Medical Respite sites over the course of the 1115 waiver period.

### **Tribal Advice and Comments**

Tribes and tribal health care providers may view the proposed changes, on the HCA webpage at: <https://www.hca.nm.gov/providers/written-tribal-consultations/>. *Notification letter 25-03.*

A written copy of these documents may be requested by contacting the HCA Medical Assistance Division (HCA/MAD) in Santa Fe at (505) 827-1337.

### **Important Dates**

**Written comments must be submitted by 5:00 p.m. Mountain time (MT) on February 26, 2025.**

Please send your comments to the MAD Native American Liaison, Theresa Belanger, at (505) 670-8067 or by email at: [Theresa.Belanger@hca.nm.gov](mailto:Theresa.Belanger@hca.nm.gov). All written comments received will be posted on the HCA website at: <https://www.hca.nm.gov/providers/written-tribal-consultations/> along with this notification letter. The public posting will include the name and any contact information provided by the commenter.

All comments and responses will be compiled and made available after March 26, 2025.

Sincerely,



Dana Flannery, Director  
Medical Assistance Division