

NEW MEXICO HUMAN SERVICES DEPARTMENT

Medicaid Management Information System Replacement (MMISR) Project



PROPOSAL ADDENDUM 11 (Eleven)

ADDENDUM TITLE: Overview of the NM Medicaid Program

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I. Medicaid Eligibles

New Mexico Medical Assistance Programs cover approximately 40 eligibility categories. The major groups eligible for Medicaid: Affordable Care Act are: adults ages 19 to 65, with income below 138 percent of the federal poverty level (FPL); parent/caretakers, pregnant women, and children below 300 percent FPL; individuals receiving Supplemental Security Income (SSI); children under the jurisdiction of the state (e.g. foster care and adoption); working disabled individuals; women with breast or cervical cancer; individuals requiring nursing home care, individuals receiving home- and community-based waiver services; and limited coverage categories such as Medicare Savings Programs and family planning. As of July 2015 New Mexico has approximately 800,000 Medicaid recipients.

II. Covered Services

Medicaid program regulations allow reimbursement for a broad array of health services to *enrolled* providers. Mandated services include, but are not limited to: general acute inpatient hospital care; outpatient hospital services; physician services in a variety of settings; nurse midwives; nursing facility services for certain individuals; home health care; rural health clinic services, the services of Federally Qualified Health Centers; laboratory and radiology; nurse practitioner services; and medically necessary Early Periodic Screening, Diagnostic, and Treatment (EPSDT) services. Optional services provided in New Mexico include, but are not limited to: prescription drugs; eyeglasses and hearing aids; organ transplants; dental services; physical, occupational and speech therapies; rehabilitative services; Intermediate Care Facilities for the Mentally Retarded (ICFs/MR); case management; hospice; transportation services; durable medical equipment and supplies; prosthetic devices; and adult personal care options (PCO).

III. Administration of the Medicaid Program

HSD -- and its Medical Assistance Division (MAD) -- has the primary responsibility for managing the Medicaid program in NM and is recognized as the State Medicaid Agency (SMA). HSD collaborates with its agency partners for managing specific components of its Medicaid program. Those partners include: Aging & Long Term Services Department (ALTSD), the Department of Health (DOH) and the Children, Youth, and Families Department (CYFD).

Programs to monitor and control use and to identify fraud, abuse, and overpayments are operated by /OIG and by the Medicaid Fraud and Elder Abuse unit of the New Mexico Office of the Attorney General.

IV. Assistance of Other State Contractors

HSD/MAD works collaboratively with contractors, vendors, and consultants to provide certain services for the division. Periodically, the successful Offeror will work directly with and/or interact electronically with these other contractors, vendors,

or consultants. These other contractors include, but are not limited to: Managed Care Organizations (MCOs) to administer the state's *Centennial Care* managed care program; an External Quality Review Organization (EQRO) vendor; a Recovery Audit Contractor (RAC); a claims processing and fiscal agent contractor (Xerox); and various consultants familiar with Medicaid and other federally funded programs.

V. **Fee-for-Service Populations**

Some populations for Medicaid benefits are exempt from receiving services through an MCO. In those instances, HSD/MAD reimburses providers directly in a Fee-for-Service (FFS) program. Most of the involved individuals are Native Americans, of whom a large percentage use Indian Health Service facilities for the majority of their health care. Others in the FFS program are eligible for family planning services and receive benefits limited to that service. Nearly 100,000 New Mexicans are covered under various FFS programs in 2015.

VI. **Managed Care**

Title XIX (Medicaid) of the SSA describes the terms under which a state may implement Medicaid managed care. A state must obtain a CMS-approved waiver of certain SSA provisions before implementation is possible. HSD/MAD received approval of a Section 1115 demonstration waiver request to implement risk-based managed care. The resulting program – Centennial Care – began January 1, 2014. The four MCOs contracted to insure NM Medicaid recipients under Centennial Care are BlueCross BlueShield NM, Molina Healthcare of New Mexico, Presbyterian Health Plan, and United Healthcare Community Plan. With the addition of newly-qualified Medicaid recipients under the Medicaid Adult Expansion (beginning January 2014), almost 700,000 New Mexicans currently are covered under the Centennial Care managed care program.

VII. **Behavioral Health**

Since Centennial Care was implemented, claims for behavioral health services are covered and processed by the MCO in which a Medicaid recipient is enrolled or by the Medicaid FFS program if the recipient is not enrolled in managed care. Prior to January 1, 2014, behavioral health claims were processed by a New Mexico single state-wide entity (SE).

VIII. **Coordination of Long-Term Services**

Prior to January 1, 2014, most Medicaid recipients of long-term care services were enrolled in the State's Coordination of Long-Term Services (CoLTS) program. These recipients included: full dually eligibles (individuals who qualify for both Medicare and Medicaid services), nursing facility residents, Personal Care Option consumers, and individuals currently receiving Disabled & Elderly (D&E) Home- and Community-Based Waiver services. The State had risk-based

contracts with two entities to administer the CoLTS program until it ended on December 31, 2013, with the implementation of Centennial Care. Effective January 1, 2014, these Medicaid recipients became covered by the Centennial Care MCOs. Separate MCOs for these types of recipients no longer exist.