



HUMAN SERVICES DEPARTMENT

Michelle Lujan Grisham, Governor
David R. Scrase, M.D., Secretary Designate
Nicole Comeaux, J.D., M.P.H, Director

Letter of Direction #7

Date: April 4, 2019
To: Centennial Care 2.0 Managed Care Organizations
From: Nicole Comeaux, Director, Medical Assistance Division
Subject: Directed Payment to University of New Mexico Medical Group
Title: UNM Directed Payment

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Background

The State of New Mexico Human Services Department (HSD) Medical Assistance Division (MAD) has submitted required documentation to the Centers for Medicare and Medicaid Services (CMS) for a directed payment in accordance with Section 438.6(c) for University of New Mexico (UNM) Medical Group. HSD intends to distribute the approved funding to the Centennial Care 2.0 (CC 2.0) managed care organizations (MCOs) as described in this letter of direction. The distribution of the payment by HSD will be separate from the regular capitated payment and the MCO will distribute the funds to UNM Medical Group.

Distribution of Directed Payment

The total directed payment amount is expected to be approximately \$39.5 million dollars (total computable). MAD will make a payment to each MCO on a quarterly basis. The amount of the payment each quarter will be based on emerging utilization data. For example, in April 2019 MAD will evaluate utilization by MCO for the period between January 1, 2019 to March 31, 2019 and use that as a basis to distribute the estimated quarterly payment funds to the MCO. The payment schedule is provided in the table below. MAD recognizes that the data will not be 100% for any period. For each subsequent quarter MAD will evaluate the refreshed data used to determine the quarterly payment each month and update the directed payment distribution quarterly. This approach will:

- Provide MAD the opportunity to evaluate emerging data and more closely align the directed payment amounts to the MCO over a twelve (12) month period.
• Provide MAD with information for federal claiming, reporting Waiver expenditures and for inter-governmental transfer tracking purposes.

Payment Distribution Schedule

Table with 2 columns: Directed Payment Date, Incurred and Paid Data Analysis Period. Rows include April 2019, July 2019, October 2019, and February 2020.

Other Directed Payment Details

This section provides information about operational and reporting requirements associated with the directed payment.

- The directed payments are classified as revenue attributed to medical expenses and therefore classified as “premium”. The quarterly payments will include gross-up amounts to reflect applicable risk/margin and premium taxes.
 - MAD will provide each MCO the amount of the directed payment and break out the gross-up amounts for each rate cohort.
- The directed payment will be included in the MCO’s Medical Loss Ratio and Underwriting Gain calculations outlined in the CC 2.0 Contract Amendment #1 (Section 7.2).
 - MAD directs each CC 2.0 MCO to report the revenue received for the directed payment in the quarterly and annual Financial Reporting package as “other revenue”. The amounts recorded in the financial reporting package **must** match the total payment made by MAD to the MCO by rate cohort.
 - MAD directs each CC 2.0 MCO to report the amount paid by the MCO to UNM Medical Group for the directed payment in the quarterly and annual Financial Reporting package as “other services”. The amounts recorded in the financial reporting package **must** match the total payment made by MAD to the MCO by rate cohort.
 - Amounts paid by the MCO to UNM Medical Group for the directed payment should also be reported in FIN-Report #5 for “Other Services” in the Shared Risk/Incentive Arrangements (All programs – Line 42). This will ensure that the FIN-Report Check Totals tab do not identify submission errors.
- Reconciliations performed as part of the CC 2.0 MCO contract (Retroactive Period, Hepatitis C and Patient Liability) will not include the directed payment revenue or expense.
- The directed payment amount paid by the MCO to UNM Medical Group should not be included in encounter data submissions.
- The CC 2.0 MCO is required to submit utilization and paid amounts by procedure code, rate cohort and month incurred each month and as prescribed in **Attachment 1**. This data will be refreshed monthly and will be the source for quarterly directed payment amounts. **Data is due each month. MCOs must submit the data no later than ten (10) business days after the last business day of the prior month.**

**LOD #7 Attachment 1 - UNM Directed Payment
Reporting of UNM Medical Group Paid Claims**

Acceptable File Formats:

- Delimited text file (*.txt or *.csv)
- Microsoft Access (*.accdb)

Requirements:

- Table 1 illustrates the data required and information about how the field should be formatted and Table 3 provides an example of the data output.
- Data should be limited to UNM Medical Group. The National Provider Identification (NPI) numbers for Billing Provider NPI that identify UNM Medical Group are provided in Table 3.
- The report should be based on incurred **and** adjudicated paid claims.
- Denied or voided claims should be excluded.
- The claim type should represent professional claims.
- Rate cohort assignment **must** be based on the cohort assignment for the member as of the incurred date of the claim.
- Each run of the report should include a refresh of the prior reported data periods and include:
 - Changes that may occur in the member’s cohort assignment.
 - Removal of data when a member loses eligibility.
 - The amount paid by the MCO to the UNM Medical Group provider.

Table 1 - Data File Fields

Field Name	Field Information	Format
Month of Service	The date of service must be formatted as 4-character year and 2-character month. "YYYYMM"	Text
Procedure Code	CPT or HCPCS code	Text
Procedure Code Modifier	The MCO should only report Modifier "26" for radiology services. All other services that are not radiology CPT codes with a populated Modifier should be left blank.	Text
Rate Cohort	This should be the rate cohort assigned by MAD to the member for the month the service was incurred. If a member cohort is changed retroactively by MAD the report should reflect the cohort assigned as of the date of the report. Acceptable values align with Financial Reporting Package Rate Cohorts: 001, 002, 003, 004, 005, 006, 007, 008, 009, 010, 011, 012, 300,	Text

	300B, 300C, 301, 302A, 302B, 302C, 303, 304, 310, 312, 320, 322, 110, 111, 112, 114, 115, 116, 117, 118, 119, 120, 121, 122 (<i>113 does not exist</i>)	
Paid Units	Units paid for the Procedure Code	Number
Paid Amount	Amount paid by the MCO for the procedure code	Number

Table 2 - UNM Medical Group Billing Provider NPIs

1427210590	1821317355	1518176692	1346623295
1841453453	1417330044	1134260904	1619002300
1043661010	1568623502	1194060053	1982849030
1649431677	1851614432	1750550067	1629107834
1841484763	1396906798	1013221423	1497170252
1992966923	1558411769	1285714766	
1013239565	1063427607	1447464664	
1043472111	1841322641	1134165681	

Table 3 - Data File Example

Month of Service	Procedure Code	Procedure Code Modifier	Rate Cohort	Paid Units	Paid Amount
201901	99213		002	46	\$4,462.92
201902	71250	26	003	92	\$4,781.24
201902	57454		009	81	\$7,128.00