

Letter of Direction #9

Date: May 30, 2019

To: Centennial Care 2.0 Managed Care Organizations

From: Nicole Comeaux, Director, Medical Assistance Division *KLA
for NC*

Subject: Directed Payment to University of New Mexico Medical Group
Repeal & Replace LOD #7

Title: UNM Directed Payment

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. Once approved by CMS, 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

Directed Payment Date	Incurred and Paid Data Analysis Period
April 2019	1/1/19 – 3/31/19
July 2019	1/1/19 – 6/30/19
October 2019	1/1/19 – 9/30/19
February 2020	1/1/19 – 12/31/19

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 trigger 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.**

Attachment 1 – 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 4 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 2.
 - The list of NPIs included in Table 2 is intended to be comprehensive and may include providers that are not enrolled with New Mexico Medicaid.
 - Data should be limited to only those providers that are enrolled with New Mexico Medicaid for the reported data period.
- 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. A list of qualified practitioners is provided below in Table 3.
 - Qualified practitioners are individual provider types enumerated below who are members of a practice plan under contract to provide professional services at a State-owned academic medical center as determined by HSD.
- 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, 300B, 300C, 301, 302A, 302B, 302C, 303, 304, 310, 312, 320, 322, 110, 111, 112, 114, 115, 116, 117, 118, 119, 120, 121, 122 (113 does not exist)	Text
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

1013221423	1013239565	1043461163	1043472111
1043661010	1053687871	1063427607	1073846903
1134165681	1134260904	1144605676	1144635459
1194060053	1194253757	1215233820	1215261946
1235419649	1255714101	1265561476	1285604108
1285714766	1295125169	1295285260	1346623295
1356470561	1366685729	1366710956	1366814667
1396906798	1396973038	1417330044	1427210590
1427281187	1427475581	1447464664	1497170252
1518129683	1518176692	1528193190	1528445053
1558411769	1568444834	1568623502	1568746436
1568933950	1588058929	1598019358	1598056749
1609258656	1619002300	1619213055	1629107834
1629230966	1639325996	1639479520	1649431677
1649446089	1649556200	1649561986	1659540318
1669536603	1669614947	1679865125	1689747552
1689778789	1699804807	1750550067	1760517528
1770841728	1770879694	1790946739	1801134325
1821317355	1831218627	1841266038	1841322641
1841453453	1841484763	1851614432	1881742161
1891208633	1902350697	1902931652	1922353531
1942339163	1972858553	1982849030	1992051296
1992966923			

Table 3 – Qualified Practitioners

Doctors of Medicine (excluding anesthesiologists)
Doctors of Osteopathy
Doctors of Podiatry
Doctors of Dentistry
Certified Registered Nurse Practitioners
Physician Assistants
Certified Nurse Midwives
Clinical Social Workers
Clinical Nurse Specialist
Board Certified Behavioral Analyst
Physical Therapist
Occupational Therapist
Speech Therapist
Audiologists
Licensed Professional Counselors

Table 4 - 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