



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

Letter of Direction #123

Date: June 20, 2024
To: Centennial Care 2.0 Managed Care Organizations
From: Dana Flannery, Director, Medical Assistance Division *DF*
Nick Boukas, Director, Behavioral Health Services Division *NB*
Subject: Residential Treatment Centers (RTCs) for Youth Payment Rates
Title: Rate Increase for Residential Treatment Centers (RTC’s) for Youth

The purpose of this Letter of Direction (LOD) is to notify the MCOs of the rate increases for the Residential Treatment Centers (RTCs) for Youth, Accredited Residential Treatment Centers for Youth, and Group Home revenue codes. This increase shall apply to each providers contracted rates with each MCO. As outlined in HB2 the MCOs shall not negotiate less than the Medicaid fee-for-services (FFS) rate. This includes rates negotiated between MCOs and sub vendors or sub-contractors. Any rate paid to providers for services to Medicaid members within the state of NM must use the Medicaid FFS rate as the minimum rate. The Agency expects MCOs to maintain current levels of reimbursement for providers who may be contracted above the rate increases outlined in this LOD. RTCs for Youth Revenue Codes are as follows:

Revenue Code	Description	Units	Current Rate	New Rate
0190	RTC for Youth; daily rate not including discharge rate	# of days	\$243.00	\$254.37
1001	ARTC Psychiatric for youth; daily rate not including discharge rate	# of days	\$350.00	\$366.38
1002	ARTC Chemical Dependency for Youth; daily rate not including discharge rate	# of day	\$350.00	\$366.38
1005	Group Home for Youth; daily rate not including discharge rate	# of days	\$150.00	\$157.02

Changes are effective July 1, 2023. MCOs are directed to implement changes associated with these instructions, including system changes and provider contract negotiations as needed no later than 60 days from the date of issuance of this directive.

All the rate increases described in this LOD have been calculated and considered as a component of the MCO capitation rates that will be retroactive to July 1, 2023. No reductions have been applied to rates exceeding the assigned threshold and are not considered in the MCO capitation rates and should not be imposed upon providers. HSD pays at the FFS rate plus the gross receipt tax. The MCO costs include gross receipt tax (GRT) in the capitation rate adjustments.

HSD directs the MCOs to provide biweekly updates to HSD on the status of implementation every other Friday beginning June 28, 2024.

HSD directs that all claims with dates of service July 1, 2023, and after must have been adjusted and paid by September 30, 2024.

This LOD will sunset upon completion of the Centennial Care Program on June 30, 2024. If the policies and/or procedures in this LOD will continue to apply in Turquoise Care, HSD will reissue the LOD under Turquoise Care or will include the direction in one or more of the following: Turquoise Care Agreement, Policy Manual, NMAC, Systems Manual, or BHSD Billing and Systems Manual.