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Letter of Direction #126

Date: September 16, 2024

To: Centennial Care 2.0 Managed Care Organizations

From: Dana Flannery, Director, Medical Assistance Division 

Subject: Directed Payment to Miners Colfax Medical Center (MCMC)

Title: Miners Colfax Medical Center Directed Payment

The purpose of this Letter of Direction (LOD) is to provide guidance to the Centennial Care 2.0 Managed Care Organizations (MCOs) for implementing the outpatient hospital rate increase for outpatient hospital services that Miners Colfax Medical Center (MCMC) rendered to Medicaid patients from January 1, 2024, to June 30, 2024.

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 Miners Colfax Medical Center (MCMC). CMS has approved this MCMC state directed payment for the January 1, 2024, to June 30, 2024 period. MAD 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 (LOD). The distribution of the payment by MAD will be separate from the regular capitated payment and the MCOs will distribute the funds to Miners Colfax Medical Center.

Distribution of Directed Payments

MAD will make a payment to each MCO in October 2024 to reimburse MCMC by October 31, 2024. The amount of the payment for each MCO will be based on the distribution of outpatient service claims. The payment schedule is provided in the table below. MAD will evaluate the outpatient claims data from January 1, 2024, to June 30, 2024, with a 3-month run out.

Payment Distribution Schedule

Directed Payment Date to MCMC	Incurred and Paid Data Analysis Period
October 31, 2024	1/1/2024 - 6/30/2024 (CY24 Q1-Q2 Final reconciliation)

*Final payment to MCMS will be made on October 31, 2024, to reflect three months of runout from the 1/1/24-6/30/24 period.

Other Directed Payment Details

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

- The directed payments to the MCOs are classified as “premium,” revenue attributed to medical expenses. The payment amounts include applicable risk/margin and premium taxes.
 - MAD will provide to each MCO the amount of the directed payment and associated margin and premium taxes for each rate cohort.
- The directed payment will be included in the MCOs’ Medical Loss Ratio and Underwriting Gain calculations outlined in the MEDICAID MANAGED CARE SERVICES AGREEMENT
 - 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 MCMC and 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.
 - MAD directs the CC 2.0 MCOs to support MCMC by providing additional support to Medicaid beneficiaries to improve quality of care outcomes.
- Amounts paid by the MCO to MCMC 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 and Patient Liability) will not include the directed payment revenue or expense.
- The directed payment amount paid by the MCO to MCMC should not be included in encounter data submissions.

Reporting of Miners Colfax Medical Center Paid Claims

The CC 2.0 MCOs are required to submit utilization and paid amounts, by claim, rate cohort and month in which the service occurred for each month and as prescribed below. Data for this one-time reconciliation payment is reported on the CY24 Q3 report for CY24 Q1 and Q2 services. MCOs will no longer be required to report after the end of CY24 Q3. MCOs must submit the electronic version of paid claim files to MAD’s secure DMZ FTP site using the following filename structure:

[MCO acronym].[LOD reference].[submission reference].[calendar year reporting cycle].[version number]

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 MCMC. The National Provider Identification (NPI) number for the Billing Provider NPI that identifies MCMC is provided in Table 2.
- The report should be based on incurred **and** adjudicated paid claims.
- Denied or voided claims should be excluded.
- Rate cohort assignment **must** be based on the cohort assignment for the member as of the incurred date of the claim.

Table 1 – Data File Fields

Field Name	Field Information	Format
Billing Provider NPI	1083931109	Text
Hospital Stay Type	Outpatient only for the MCMC Directed Payment	Text
Month of Service	The date of service must be formatted as 4-character year and 2-character month. “YYYYMM”	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 Claims	Number of Paid Claims	Number
Paid Amount	Amount paid by the MCO	Number

Table 2 -MCMC Billing Provider NPI

MCMC	1083931109
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NPI 1346780434 and NPI 1871630665 are not applicable to this LOD.

Table 3 - Data File Example

Billing Provider NPI	Month of Service	Hospital Stay Type	Rate Cohort	Paid Claims	Paid Amount
1083931109	202401	Outpatient	002	46	\$4,462.92
1083931109	202402	Outpatient	003	92	\$4,781.24
1083931109	202403	Outpatient	009	81	\$7,128.00

This LOD is under CC 2.0 for the January 1, 2024 – June 30, 2024, period. The Miners Colfax Medical Center state directed payment will not continue into Turquoise Care. This LOD will sunset upon HCA notification and MCO validation of completion of payment to Miners Colfax Medical Center.