New Mexico Human Services Department
Draft Medicaid 1115 Demonstration Waiver Renewal Application
Full Public Notice

The New Mexico Human Services Department (HSD) will submit a 5-year Medicaid 1115 demonstration waiver renewal application to the Centers for Medicare and Medicaid Services (CMS) in 2022 for an anticipated effective date of January 1, 2024 through December 31, 2028, seeking federal approval to renew and enhance the current Centennial Care 2.0 waiver (Project Number 11-W-00285/9). The renewal period will hereafter be referred by the demonstration's new name: **Turquoise Care**.

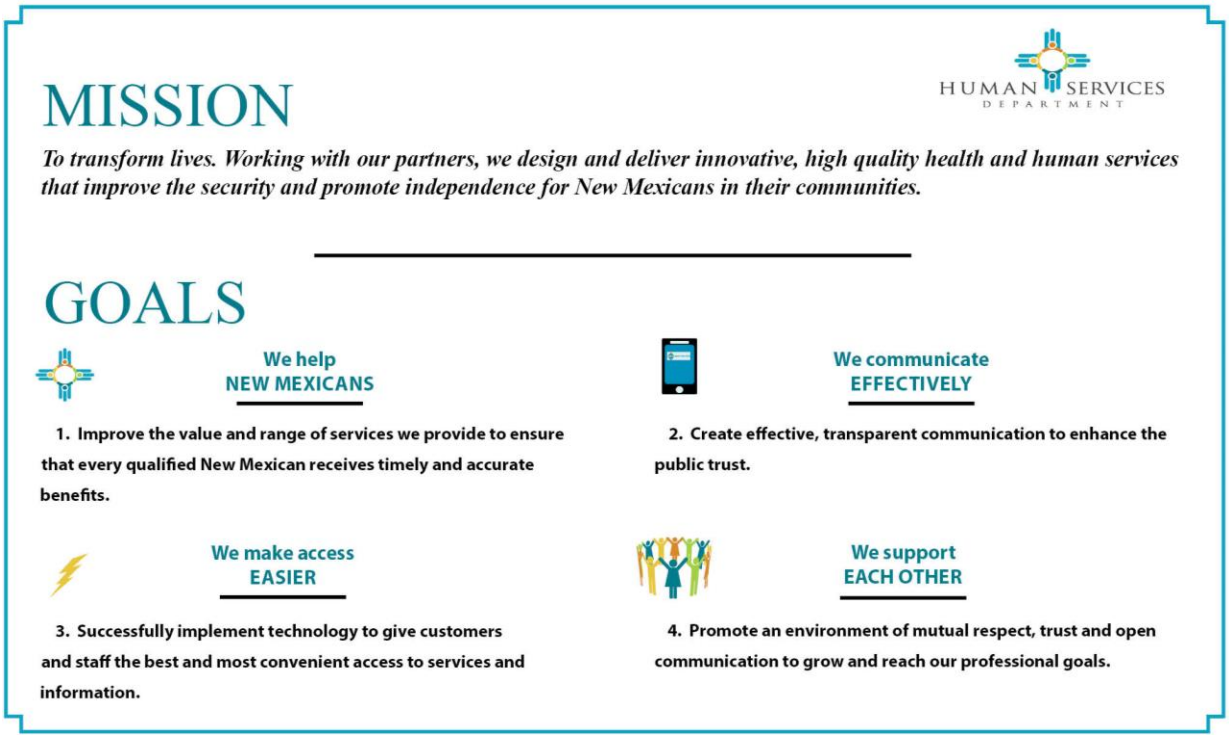
This full public notice provides information regarding the proposed renewal request to CMS.

New Mexico's draft Medicaid 1115 waiver renewal application for Turquoise Care and public hearing information can be found here: https://www.hsd.state.nm.us/medicaid-1115-waiver-renewal/.

A. Renewal Overview, Goals and Objectives

In order to continue to provide the most efficient and effective healthcare for New Mexicans, HSD is seeking an extension of the existing 1115 demonstration, currently referred to as Centennial Care 2.0, through a renewal application, with an effective date of January 1, 2024. This renewal aims to build upon the successes of the current demonstration, which is set to expire on December 31, 2023.

The demonstration renewal's vision and goals are predicated on HSD's overall mission and goals for providing health and human services to New Mexicans:



In alignment with HSD's mission, Turquoise Care's goals and initiatives center on improving core health outcomes and attending to the social and economic determinants of health, particularly centered on addressing the needs of the State's historically underserved populations. HSD's vision is that every New Mexico Medicaid member has high-quality, well-coordinated, person-centered care to achieve their personally defined health and wellness goals.

To move closer to our vision, HSD will operate a data-driven Medicaid program that measures quality based on population health outcomes. To support this vision, the Turquoise Care waiver is constructed around three goals:

- **Goal 1**: Build a New Mexico health care delivery system where every Medicaid member has a dedicated health care team that is accessible for both preventive and emergency care that supports the whole person - their physical, behavioral, and social drivers of health.

- **Goal 2**: Strengthen the New Mexico health care delivery system through the expansion and implementation of innovative payment reforms and value-based initiatives.

- **Goal 3:** Identify groups that have been historically and intentionally disenfranchised and address health disparities through strategic program changes to enable an equitable chance at living healthy lives.

  Turquoise Care will target initiatives focused on the following populations:

  1. Prenatal, postpartum, and members parenting children, including children in state

custody;
2. Seniors and members with long-term services and supports (LTSS) needs;
3. Members with behavioral health conditions;
4. Native American members; and
5. Justice-involved individuals.

These five populations were selected as target populations given their experiences with societal inequities, disproportionately high demand for health supports and services, and disparities they have experienced within the State of New Mexico. As such, many of the key waiver and expenditure authorities, and pilot programs have been created to support these populations to ensure they receive equitable care.

B. Current and New Beneficiaries Impacted by Turquoise Care

Turquoise Care aims to expand eligibility and strengthen access to coverage, while also improving care delivery. In addition to the Medicaid eligibility groups currently enrolled in Centennial Care 2.0, Turquoise Care will:

- Provide continuous Medicaid enrollment for children up to age six; and
- Expand HCBS CB enrollment opportunities through additional waiver slots. A full description of these two proposals proceeds this paragraph.

C. Eligibility, Enrollment, Benefits, Delivery System, and Cost Sharing

In alignment with HSD's vision and goals, New Mexico is requesting a five-year demonstration renewal with three main areas of focus: continuation of programs currently approved under Centennial Care 2.0, enhancements of existing programs, and proposed new programs. The following provides a summary of continuing overarching demonstration features followed by programs continuing without enhancements, programs continuing with modifications, and proposed new programs.

1. Eligibility and Enrollment

A. Continuing Demonstration Features

The State will continue to include the Medicaid and CHIP State Plan eligibility groups approved in Appendix F of the Centennial Care 2.0 approved demonstration, including the 217-like eligibility groups made eligible through demonstration authority.

Mandatory and optional State Plan groups described below derive their eligibility through the Medicaid State Plan and are subject to all applicable Medicaid laws and regulations in accordance with the Medicaid State Plan, except as expressly waived and as described in the current 1115 Waiver Standard Terms and Conditions. For full Medicaid Eligibility tables, please see the draft application Appendix F.

Eligibility Groups include:

- Parents/Caretaker Relatives;
- Transitional Medical Assistance;
- Extension due to Spousal Support;

- Pregnant Women;
- Children under Age 19;
- Continuous Eligibility for Hospitalized Children;
- Deemed Newborns;
- Adoption Assistance and Foster Care Children;
- Former Foster Care Children;
- Adult Group;
- Aged, Blind, and Disabled; and
- Individuals receiving Community Benefit HCBS services under "217-like" group.

B. New Demonstration Proposals

The State aims to expand eligibility and strengthen access to coverage, while also improving care delivery. In addition to the Medicaid eligibility groups currently enrolled in Centennial Care 2.0, the State will:

1) Provide Continuous Enrollment for Children up to Age Six

In order to maximize other efforts to improve access to care and services for children, New Mexico is seeking authority under the 1115 waiver demonstration to provide continuous enrollment in Medicaid for children from the time of application up to age six.

2) Expand Home and Community Based Services (HCBS) Community Benefit (CB) Enrollment Opportunities through Additional Waiver Slots

HSD's goal is the elimination of the CB Waitlist by the end of 2028. To start, HSD will permanently add 1,000 CB enrollment "slots," which have already been approved through New Mexico's American Rescue Plan Section 9817 HCBS Spending Plan. Over the course of the five-year waiver renewal period, HSD will evaluate and make targeted requests for new capacity to eliminate the current waitlist for CB services.

2. Premiums and Cost Sharing

Premiums and cost-sharing will continue to follow the approved Medicaid State Plan. New Mexico removed premiums and cost sharing elements from Centennial Care 2.0 in the amendment approved in February 2020 and there will continue to be no cost sharing elements.

3. Benefits

A. Continuing Demonstration Benefits

Benefits will continue to include those approved in Centennial Care 2.0, including: Community Intervener services, Medicaid home visiting services, Pre-Tenancy and Tenancy Support services, Participant Direction for select CB services, opioid use disorder (OUD)/substance use disorder (SUD) treatment services and withdrawal management during short-term residential and inpatient stays in Institution for Mental Diseases (IMDs), the Member Rewards Program approved in Centennial Care 2.0, and

family planning-only eligibility to otherwise ineligible individuals age 50 and under who do not have other health insurance coverage and individuals who are under age 65 who have only Medicare coverage that does not include family planning benefits.

The State will also continue to include the approved Centennial Care 2.0 benefits, including the CB services described in Attachment B of the Centennial Care 2.0 approved waiver and expanded benefits described in Appendix G of the draft Turquoise Care renewal application. These include comprehensive benefits that are at least equal in amount, duration, and scope to those described in the State Plan, with the exception of the Adult Group, who receive the benefits in their approved Alternative Benefit Plan (ABP). Those in the Adult Group who are medically frail will continue to have a choice of the approved ABP with the ten essential health benefits required by the Affordable Care Act, or the ABP with the approved State Plan benefit package.

B. New Demonstration Benefits Proposals

The State aims to expand eligibility and strengthen access to coverage, while also improving care delivery. In addition to the Medicaid benefits currently included in Centennial Care 2.0, HSD is requesting:

1) Expanded Centennial Home Visiting Pilot Programs

HSD requests continuation and expansion of the Centennial Home Visiting program. The State will continue the two existing evidence-based models and expand the program to also include four new evidence-based programs on a pilot basis. The four new programs are Child First, Healthy Families America, Family Connects, and Safe Care Augmented.

2) Expanded Access to Supportive Housing

Under the demonstration renewal, the Supportive Housing Program will continue providing pre-tenancy and tenancy support activities to members with serious mental illness (SMI) that are part of the Linkages Supportive Housing Program approved in Centennial Care 2.0. HSD also requests to increase enrollment of this program from 180 to 450 annually to provide services to members who are associated with a Local Lead Agency and provider and the Special Needs/Set Aside Housing Program (SAHP).

3) Medicaid Services for High-Need Justice-involved Populations 30 Days Before Release

Expanding on the State's previous efforts to support the justice-involved population, New Mexico is proposing to provide active Medicaid coverage and a targeted set of benefits 30 days prior to exiting incarceration for a defined high-needs population. This population includes incarcerated persons in state prisons, local jails, youth correctional facilities, Department of Health forensic unit state hospitals, tribal holding facilities, or tribal jails targeting members with high needs, including but not limited to those with SMI, serious emotional disturbance (SED), or SUD. The

proposed benefits are commensurate to the population's needs, including enhanced care management and coordination, medication assisted treatment (MAT), and 30-day supplies of medications and durable medical equipment (DME), as appropriate.

4) **Chiropractic Services Pilot**

In order to provide a robust benefit package to support the State's focus on person-centered care, HSD is requesting to implement a pilot program to improve quality, access, and cost-effectiveness of needed chiropractic services for eligible members, up to $2,000 per year.

5) **Member-Directed Traditional Healing Benefits for Native Americans**

HSD is proposing to expand the availability of culturally competent, traditional healing benefits to Native American members enrolled in managed care, up to $500 per year.

(Note: The State has hosted Tribal Listening Sessions to gather feedback on the new Member-Directed Traditional Healing Benefits for Native Americans. The State will continue to engage Tribal leaders while finalizing this proposal.)

6) **Enhanced Services and Supports for Members in Need of Long-Term Care**

HSD is proposing to implement two new waiver initiatives to transform the experience members have when accessing assisted living and nursing facility services, including:

a) ***Legally responsible individuals as providers of HCBS CB Services.*** HSD is proposing to permanently allow State-authorized relatives, guardians, and/or legally responsible individuals to render CB Personal Care Services.

b) ***LTSS Transformation: Expanding Access to Assisted Living Services and Promoting a person-centered LTSS Experience for New Mexicans.*** HSD is proposing to implement two new waiver strategies to transform the experience members have when accessing assisted living and nursing facility services, including:

   1. Waiver Investments in Small-Home Assisted Living and Nursing Facility Pilots to incentivize the growth of smaller, more community-based spaces in both Nursing Facilities and Assisted Living Facilities and to implement person-centered concepts through a quality incentive process to enhance living arrangements and care for members.
   2. Medicaid funding for room and board payments to Assisted Living Facilities for Medicaid members receiving the assisted living service through the CB package when person-centered, cost-effective, and clinically appropriate.

These proposals compliment the preceding request to increase CB slots.

7) **Environmental Modifications Benefit Limit Increase**

HSD proposes to increase HCBS environmental modifications benefit limits from $5,000 to $6,000 every five years for the CB population authorized expressly by New Mexico's 1115 demonstration (i.e., the 217-like group).

8) **Transitional Services Benefit Limit Increase**

HSD proposes to increase limits on Community-Based Transition Services from $3,500 to $4,000 every five years for CB population authorized expressly by New Mexico's 1115 demonstration (i.e., the 217-like group).

9) **Home-Delivered Meals Pilot Programs**

HSD is proposing two new home-delivered meals pilots through the Waiver. These pilots aim to serve:

a) CB members who are facing food insecurity that jeopardizes the member's ability to remain in a community-based setting.

b) Pregnant members with gestational diabetes.

MCOs will provide up to two meals a day for eligible members.

10) **Addition of a Closed-Loop Referral System**

HSD seeks to establish an integrated closed-loop referral system to allow providers to securely and efficiently refer members with complex health and social needs to other organizations or services as needed. This system would be developed through a technological-based platform that electronically and securely exchanges information through a referral network of providers and organizations.

11) **Medical Respite for Members Experiencing Homelessness**

HSD is seeking expenditure authority for medical respite for members experiencing homelessness after discharge from the hospital. The state proposes a medical respite pilot in Albuquerque, New Mexico, operated by Healthcare for the Homeless, an FQHC in the process of constructing a medical respite unit. The payment delivery system is proposed through MCOs with an adjustment to their capitated rate. Proposed services include care coordination, medical care on site, personal care services, and 24-hour staffing.

The following two Medicaid initiatives are still pending approval under a waiver amendment request that is under CMS review:

1. Medicaid Reimbursement for IMD Settings for Individuals with SMI/SED.
2. High-fidelity "wraparound" Services for Children and Youth with Complex Care Needs, including Behavioral Health and LTSS needs.

4. Delivery System

A. Continuing Demonstration Elements

With the exception of Native American members, New Mexico will continue to direct mandatory managed care enrollment through MCOs in order to deliver quality care through integrated physical health, behavioral health, and managed LTSS to members. The future Medicaid program will build upon the successes of Centennial Care 2.0 and will continue to include care coordination, targeted care coordination for high needs populations and transitions of care for high-needs populations, value-based payment (VBP) arrangements and telehealth through MCO contract requirements. All managed care contracts will continue to comply with federal managed care requirements at 42 CFR Part 438 except that HSD will continue to request a waiver of federal regulations at 42 CFR 438.56(g) to allow HSD to automatically reenroll an individual who loses eligibility or whose eligibility is suspended for a period of three months or less in the same managed care plan in which the individual was previously enrolled. HSD will also continue to seek expenditure authority to allow HSD to include costs associated with the provision of beneficiary rewards program incentives in the calculation of the MCO capitation rates.

B. New Demonstration Proposals

1) Graduate Medical Education (GME) funding and technical assistance for new and/or expanded primary care medical residency programs

HSD has a pending waiver amendment under CMS review to provide funding and technical assistance to new and/or expanded primary care medical residency programs in community-based primary care settings, such as Federally Qualified Health Centers (FQHCs), rural health clinics (RHCs), and tribal health centers. If approved, the State will include this proposal in the renewal.

2) Request for expenditure and waiver authority to support rural hospitals

HSD is requesting expenditure authority for payment flexibility to support rural hospitals, with an additional focus on obstetric care and other services that support parents with infants or young children. This request has two parts: 1) stabilize the rural hospital system through investments and 2) transform the rural health system to support continued access in rural communities through sustainable models and innovative reimbursement strategies that recognize the resources required of rural providers.

D. Requested Waiver and Expenditure Authorities

Table 1: Requested Waiver Authorities

	Waiver Authority	Use for Waiver Authority	Currently Approved Waiver Authority?
1.	Reasonable Promptness Section 1902(a)(8)	Consistent with existing HCBS waiver authority (Section 1915(c) of the Social Security Act), to the extent necessary to enable HSD to establish enrollment targets for certain HCBS for those who are not otherwise eligible for Medicaid. HSD will take into account current demand and utilization rates and will look to increase such enrollment targets in order to appropriately meet the LTC needs of the community.	Current
2.	Amount, Duration, and Scope of Services Section 1902(a)(10)(B)	To the extent necessary to enable the State to vary the amount, duration, and scope of services offered to individuals regardless of eligibility category, by permitting managed care plans to offer varied medically appropriate value added services to beneficiaries who are enrolled in TC. To the extent necessary to enable the State to offer certain LTSS and care coordination services to individuals who are Medicaid eligible and who meet NF LOC. To the extent necessary to allow HSD to place expenditure boundaries on HCBS and personal care options. To the extent necessary to enable the State to offer pre-tenancy and tenancy services to a limited number of TC recipients with SMI, and in limited geographical areas of the State. (Pending before CMS in waiver amendment) Waiver of any requirement in section 1902 of the Social Security Act (SSA) required to implement coverage and reimbursement for High Fidelity Wraparound (HFW) services for children and youth with high intensity needs.	Current/New

	Waiver Authority	Use for Waiver Authority	Currently Approved Waiver Authority?
		(New) To the extent necessary to enable the State to offer an annual budget of $2,000 for chiropractic services to Other Adult Group and Parent/Caretaker Group beneficiaries enrolled in managed care.	
3.	Freedom of Choice Section 1902(a)(23)(A) 42 CFR 431.51	To the extent necessary to enable the State to restrict freedom of choice of provider through the use of mandatory enrollment in managed care plans for the receipt of covered services. Mandatory enrollment of American Indians/Alaskan Natives (AI/ANs) is only permitted for beneficiaries with a NF LOC. No waiver of freedom of choice is authorized for family planning providers.	Current/New
4.	Self-Direction of Care Section 1902(a)(32)	To permit persons receiving certain services to self-direct their care for such services. To permit state-authorized relatives, guardians, and or legally responsible individuals to provide Community Benefit personal care services.	Current/New
5.	NF LOC Redetermination Section 1902(a)(10)(A)(ii)(IV) 42 CFR 441.302(c)(2)	To the extent necessary to enable the State to implement a streamlined NF LOC approval with specific criteria for individuals whose condition is not expected to change.	Current
6.	Section 1902(a)(8) and (10)	To the extent necessary to enable the State to limit the provision of Medical Assistance (and treatment as eligible for Medical Assistance) for individuals described in the eligibility group under section 1902(a)(10)(A)(ii)(XX) of the Social Security Act (the Act) and the State Plan to only former foster care youth who are under 26 years of age, were in foster care under the responsibility of another state or tribe on the date of attaining 18 years of age (or such higher age as such former state has elected), and who were enrolled in Medicaid on that date, and are now residents in New Mexico applying for Medicaid.	Current

	Waiver Authority	Use for Waiver Authority	Currently Approved Waiver Authority?
		To the extent necessary to enable the State to limit the provision of Medical Assistance (and treatment as eligible for Medical Assistance) for individuals described in the eligibility group under section 1902(a)(10)(A)(ii)(XXI) of the Act and the State Plan to only family planning services as described in section 1905(a)(4)(C) and only to individuals age 50 or under who do not have other health insurance coverage, or under age 65 who have only Medicare coverage that does not include family planning.	

Table 2: Requested Expenditure Authorities

	Use for Waiver/Expenditure Authority	Currently Approved Waiver/ Expenditure Authority?
1.	Expenditures made under contracts that do not meet the requirements in Section 1903(m) of the SSA specified below. Managed care plans participating in the demonstration will have to meet all the requirements of Section 1903(m), except the following: (a) Section 1903(m)(2)(H) and federal regulations at 42 CFR §438.56(g), but only insofar as to allow HSD to automatically reenroll an individual who loses Medicaid eligibility for a period of three months or less in the same managed care plan from which the individual was previously enrolled. (b) Expenditures made under contracts that do not meet the requirements of 1903(m)(2)(A)(iii) and implementing regulations at 42 CFR §438.4 but only insofar as to allow HSD to include in calculating MCO capitation rates the provision of beneficiary rewards program incentives for health-related items or services. (c) (New) Expenditures made under contracts with MCOs that do not meet the requirements of 1903(m)(2)(A) and implementing regulations at 42 CFR §438 but only insofar as to allow HSD to include the costs of room and board in ALFs in the development of the MCO capitation rates.	Current/New

	Use for Waiver/Expenditure Authority	Currently Approved Waiver/ Expenditure Authority?
2.	Expenditures for Centennial Care recipients who are age 65 and older and adults age 21 and older with disabilities and who would otherwise be Medicaid-eligible under Section 1902(a)(10)(A)(ii)(VI) of the SSA and 42 CFR §435.217 in conjunction with section 1902(a)(10)(A)(ii)(V) of the SSA, if the services they receive under Centennial Care were provided under an HCBS waiver granted to HSD under SSA Section 1915(c) as of the initial approval date of this demonstration. This includes the application of spousal impoverishment eligibility rules.	Current
3.	Expenditures for community intervener services furnished to deaf and blind Turquoise Care beneficiaries.	Current
4.	Expenditures to pilot home visiting services to eligible pregnant individuals, postpartum individuals, infants, and children	Current/New
5.	Expenditures for peer-delivered pre-tenancy and tenancy supportive housing services for individuals who meet the eligibility criteria for the Special Needs/SAHP.	Current/New
6.	Expenditures to provide HCBS not included in the Medicaid State Plan to individuals who are eligible for Medicaid.	Current
7.	Expenditures for otherwise covered services furnished to otherwise eligible individuals who are primarily receiving treatment and withdrawal management services for substance use disorder who are short-term residents in facilities that meet the definition of an institution for mental diseases.	Current
8.	Expenditures for members in managed care and FFS to receive expanded services provided through an IMD. Expanded services will be available to eligible adults with SMI and children with SED in the event they meet the diagnostic criteria mandated by the included assessment so long as the cost of care is the same as, or more cost effective than, a setting that is not an IMD.	Pending with CMS (Waiver Amendment)
9.	Expenditures authority to provide coverage and reimbursement for HFW services for children and youth with high intensity needs.	Pending with CMS (Waiver Amendment)
10.	Expenditure authority to provide GME grant funding and technical assistance to new and/or expanded primary care medical residency programs in community-based primary care settings, such as FQHC, RHCs, and tribal health centers.	Pending with CMS (Waiver Amendment)
11.	Expenditures for an annual budget of $2,000 for chiropractor services for members eligible under the Other Adult Group and Parent/Caretaker Group and enrolled in managed care.	New

	Use for Waiver/Expenditure Authority	Currently Approved Waiver/ Expenditure Authority?
12.	Expenditures for continuous enrollment for children up to age six.	New
13.	Expenditures for Medicaid services rendered to incarcerated enrollees in the 30 days pre-release from a correctional facility.	New
15.	Expenditures for room and board in ALFs as a cost-effective, medically appropriate substitute for nursing facility services.	New
16.	Expenditures to support staffing, design and care management for small-home models of nursing facility and assisted living facility care.	New
17.	Expenditures for the costs of member-directed traditional healing services provided to Native American members.	New
18.	Expenditures to increase the Environmental Modifications Benefit Limit increase by $1,000 to be used over five years.	New
19.	Expenditures to increase the Transitional Services Benefit Limit increase by $500 to be used over five years.	New
20.	Expenditures to cover meals for CB members who are facing food insecurity that jeopardizes the member's ability to remain in a community-based setting and pregnant members with gestational diabetes.	New
21.	Expenditures to provide one-time funding to develop a model for a closed-loop referral system.	New
22.	Expenditures for medical respite for member experiencing homelessness.	New

E. Impact on Enrollment and Expenditures

A summary of aggregate historical and projected demonstration enrollment and expenditure data is provided in the tables below. Note that not all Medicaid expenditures are captured in these tables. For example, State administrative expenditures and expenditures for populations excluded from the current 1115 waiver are not included. Data is limited to expenditures that are considered as part of the current 1115 waiver budget neutrality and current CHIP allotment neutrality, and projected new expenditures where data and estimates are currently available. Demonstration projections are approximate assumptions for the purposes of the waiver renewal planning. Demonstration financing and budget neutrality assumptions will continue to evolve throughout the course of the waiver renewal process and as new budget data becomes available.

Table 3 – Historical Data for Current Demonstration Period

	DY6	DY7	DY8	DY9*	DY10*	Five Year Total
	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	
Total Enrollment	851,880	864,076	864,123	878,365	793,365	
Total Expenditure (in billions)	$5.1	$5.9	$6.5	$6.8	$7.0	$31.3

*Based on projections from the current approved waiver and pending amendment request.
Differences may exist due to rounding.

Table 4 – Projected Data for Demonstration Renewal Period

	DY11	DY12	DY13	DY14	DY15	Five Year Total
	CY 2024	CY 2025	CY 2026	CY 2027	CY 2028	
Total Enrollment	827,633	864,314	872,957	881,686	890,503	
Total Continuing Demonstration Expenditures (in billions)	$7.3	$7.6	$7.9	$8.2	$8.5	$39.5
Total New Demonstration Expenditures	$91,147,000	$110,979,000	$132,961,000	$136,625,000	$140,487,000	$612,199,000
Total Expenditure (in billions)	$7.4	$7.7	$8.0	$8.3	$8.7	$40.1

Note: Includes amounts from Table 5.
Differences may exist due to rounding.

Table 5 – Projected Expenditures for New Demonstration Proposals in Renewal Period

	DY11	DY12	DY13	DY14	DY15	Five Year Total
	CY 2024	CY 2025	CY 2026	CY 2027	CY 2028	
Continuous Enrollment for Children Up to Age 6	$20,438,000	$21,136,000	$21,858,000	$22,605,000	$23,379,000	$109,416,000
Expanded HCBS CB Enrollment Opportunities through Additional Waiver Slots	$7,065,000	$25,693,000	$45,778,000	$47,512,000	$49,311,000	$175,359,000
Expanded Centennial Home Visiting Pilot Program	$828,000	$1,031,000	$1,161,000	$1,507,000	$1,662,000	$6,189,000

	DY11	DY12	DY13	DY14	DY15	Five Year Total
	CY 2024	CY 2025	CY 2026	CY 2027	CY 2028	
Expanded Access to Supportive Housing	$1,458,000	$1,504,000	$1,552,000	$1,601,000	$1,652,000	$7,767,000
Medicaid services for high-need justice-involved populations 30 days before release	$1,061,000	$1,119,000	$1,180,000	$1,244,000	$1,312,000	$5,916,000
Chiropractic Services Pilot	$2,967,000	$3,085,000	$3,207,000	$3,334,000	$3,466,000	$16,059,000
Member-Directed Traditional Healing Services for Native Americans	$10,125,000	$10,226,000	$10,328,000	$10,431,000	$10,536,000	$51,646,000
Waiver Investments in Small-Home Assisted Living and Nursing Facility Pilots	$300,000	$300,000	$300,000	$50,000	$50,000	$1,000,000
Medicaid reimbursement for room and board in Assisted Living Facility settings when cost-effective and clinically appropriate	$12,498,000	$13,101,000	$13,733,000	$14,395,000	$15,090,000	$68,817,000
Closed-Loop Referral Network	$5,700,000	$5,000,000	$5,000,000	$5,000,000	$5,000,000	$25,700,000
Environmental Modification Benefit Limit Increase	$884,000	$884,000	$884,000	$884,000	$884,000	$4,420,000
Community-Based Transition Services Benefit Limit Increase	$123,000	$123,000	$123,000	$123,000	$123,000	$615,000
Home-delivered meals pilot programs	$1,590,000	$1,590,000	$1,590,000	$1,590,000	$1,590,000	$7,950,000
Rural Hospital Initiative	$23,000,000	$23,000,000	$23,000,000	$23,000,000	$23,000,000	$115,000,000
Medical Respite for Members Experiencing Homelessness	$3,110,000	$3,187,000	$3,267,000	$3,349,000	$3,432,000	$16,345,000

	DY11	DY12	DY13	DY14	DY15	Five Year Total
	CY 2024	CY 2025	CY 2026	CY 2027	CY 2028	
Total	**$91,147,000**	**$110,979,000**	**$132,961,000**	**$136,625,000**	**$140,487,000**	**$612,199,000**

Note: All amounts in this table are included in the total expenditures in Table 4.
Differences may exist due to rounding.

F. Hypotheses and Evaluation Parameters

Draft Interim Evaluation Report

The Draft Interim Evaluation Report for the Centennial Care 2.0 program will be completed by November 15, 2022 and the final report submitted with the renewal application to CMS. A copy of the Draft Interim Evaluation Report can be found in Appendix B and https://www.hsd.state.nm.us/wp-content/uploads/NMWaiverEval_InterimRpt_D2-1.pdf .

During the future Medicaid program, HSD will continue relevant hypotheses from Centennial Care 2.0, as well as add new hypotheses in order to evaluate the impact of policies and programs in this renewal application. HSD is in the process of selecting its independent external evaluator for the demonstration renewal; therefore, the plans for evaluating the impact of the demonstration renewal are preliminary and provisional. When the independent external evaluator is selected, the comprehensive evaluation strategy, including details surrounding the goals, hypotheses, methodology, and data sources, will be formalized. That said, HSD has developed provisional hypotheses and goals reflective of new and continuing initiatives within the demonstration renewal. Table 6 describes these hypotheses and whether they are new or continuing (please note the methodology and data sources are reserved and will be updated upon selection of the independent evaluator):

Table 6 – Demonstration Goals and Evaluation Hypotheses

Goal	Hypothesis	Methodology	Data Sources	New/Continuing?
Goal 1: Build a New Mexico health care delivery system where every Medicaid member has a dedicated health care team that is accessible for both preventive and emergency care that supports the whole person - their physical, behavioral, and social drivers of health.				
1.1	Promoting participation in a Health Home will result in increased member engagement with a Health Home and increase access to integrated physical and behavioral health care in the community.	The number of members receiving services through a Health Home will increase annually throughout the demonstration.	Administrative claims data	Continuing

Goal	Hypothesis	Methodology	Data Sources	New/Continuing?
1.2	Access to chiropractic care will reduce the need for high-risk treatment interventions for Medicaid patients with neck pain, back pain, musculoskeletal pain, and headaches.	Members receiving chiropractic care services will have less utilization of high-risk treatment services associated with neck pain, back pain, musculoskeletal pain, and headaches at the end of the demonstration compared to the previous four years of utilization prior to the renewal period.	Administrative claims data	New
1.3	Chiropractic services are cost-effective and will reduce per-member costs over time for patients with neck pain, back pain, musculoskeletal pain, and headaches.	Members with diagnoses of neck pain, back pain, musculoskeletal pain, and/or headaches receiving chiropractic services will have reduced PMPM costs at the end of the demonstration compared to the previous four years of the utilization prior to the renewal period.	Administrative claims data	New
1.4	Modernized care coordination provided by the MCOs supports integrated care interventions and improved access to preventative/ambulatory health services.	Members receiving MCO care coordination will have increased utilization of preventative/ambulatory health services annually throughout the demonstration.	Administrative claims data	Continuing
1.5	Engagement in a Health Home and care coordination supports integrative care interventions, which improve quality of care.	Members receiving Health Home services will report increases in patient satisfaction.	Member engagement surveys	Continuing
1.6	Implementation of electronic visit verification (EVV) is associated with increased accuracy in reporting services rendered.	Services provided by providers utilizing EVV will have improved service reporting in terms of timeliness and specificity of services.	EVV data/chart review	Continuing/New
Goal 2: Strengthen the New Mexico health care delivery system through the expansion and implementation of innovative payment reforms and value-based initiatives.				
2.1	Incentivizing hospitals to improve the health of members and quality of services and increasing the number of providers with VBP contracts will manage costs while	VBP contracts with hospitals will slow the increase in hospital related costs and improve patient satisfaction annually throughout the demonstration.	Administrative claims data, member engagement surveys	Continuing

Goal	Hypothesis	Methodology	Data Sources	New/Continuing?
	sustaining or improving quality.			
2.2	Stabilizing and sustaining rural hospital infrastructure will increase access to critical services in rural areas, including obstetric care.	Members will have increased utilization of necessary hospital and obstetrical care services at rural hospitals receiving infrastructure investments annually and in comparison to the four years preceding this investment.	Administrative claims data	New
2.3	Expanded GME program to increase the number of graduates in the following specialties: General Psychiatry, Family Medicine, General Pediatrics, and General Internal Medicine.	Investments in GME will lead to increase number of graduates in primary care and pediatric specialties annually and over the course of the demonstration.	GME program data	New
Goal 3: Identify groups that have been historically and intentionally disenfranchised and address health disparities through strategic program changes to enable an equitable chance at living healthy lives.				
3.1	Continuing to expand access to LTSS and maintaining the progress achieved through rebalancing efforts to serve more members in their homes and communities will maintain the number of members accessing CB services. This includes expansion of environmental modification benefits, transitional service limits, and home delivered meals.	Members receiving LTSS environmental modification benefits, transitional service limits, and home delivered meals will maintain the member utilization of CB services annually.	Administrative claims data	Continuing/New
3.2	Continuous enrollment will improve access and completion of early childhood screenings, preventative visits, and routine care for children aged 0-6.	Members with continuous enrollment will have greater utilization of early childhood screenings, preventative visits, and routine care in comparison to the four years prior to the issuance of the COVID-19 public health emergency.	Administrative claims data	New
3.3	Expanding member access to and incentives for preventative care through Centennial Rewards will encourage members to engage in preventative care services.	Members participating in Centennial Rewards will have greater utilization of routine and preventative care services annually throughout the demonstration.	Administrative claims data	Continuing

Goal	Hypothesis	Methodology	Data Sources	New/Continuing?
3.4	The demonstration will relieve administrative burden by implementing a continuous NFLOC approval with specific criteria for members whose condition is not expected to change over time.	Utilization of a continuous NFLOC approval for qualifying members will have reduced administrative expenditures versus prior to the implementation of the continuous NFLOC approval process.	Administrative cost data	Continuing
3.5	The ability for legal representatives to provide personal care services to individuals receiving CB services will increase PCS workforce.	Members receiving personal care CB services from legal representatives will have greater utilization of necessary HCBS services annually throughout the demonstration and in comparison to the four years preceding the implementation of this benefit.	Administrative claims data	New
3.6	Covering room and board in ALFs will reduce the number of members requiring nursing facility care.	Members with ALF room and board reimbursement will have fewer nursing facility admissions in comparison to the four years preceding the implementation of this benefit.	Administrative claims data	New
3.7	Adding “small home” concepts and architectural changes will increase Nurse Aid hours per resident per day. Decrease the percentage of Nurse Staff turnover.	Total nurse aid hours per resident. Percentage of nurse turnover as compared to the previous year.	Administrative claims data	New
3.8	The demonstration will increase the number of providers that provide SUD screening, which will result in an increase in the number of individuals screened and the percentage of individuals who initiate treatment for AOD dependence treatment.	The number of SUD screening services will increase annually and in comparison to the four years preceding the addition of this benefit; the percentage of individuals initiating treatment for AOD dependence will increase annually and in comparison to the four years preceding the addition of this benefit.	Administrative claims data	Continuing

Goal	Hypothesis	Methodology	Data Sources	New/Continuing?
3.9	The demonstration will increase peer support services which will result in more individuals engaging in and retained in AOD Dependence Treatment.	Members will have increased utilization of peer support services annually and in comparison to the four years preceding the start of this benefit; members will have increased retainment in AOD dependence treatment annually and in comparison to the four years preceding the addition of this benefit.	Administrative claims data	Continuing
3.10	The demonstration will improve access to a comprehensive continuum of SUD care which will result in decreased utilization of ED and inpatient hospitalization and SUD inpatient readmissions.	Members receiving SUD care will have decreased utilization of SUD-related ED and inpatient hospitalizations and reductions of SUD inpatient readmissions annually and in comparison to the four years preceding this benefit.	Administrative claims data	Continuing
3.11	The demonstration will increase the number of individuals with fully delegated care coordination which includes screening for co-morbid conditions, which will result in increased utilization of physical health services.	Members with fully delegated care coordination will increase annually and in comparison to the four years preceding this benefit; members receiving delegated care coordination will have greater utilization of screening for comorbid conditions annually and in comparison to the four years preceding this benefit; members receiving delegated care coordination will have increased utilization of preventative health services annually and in comparison to the four years preceding this benefit.	Administrative claims data	Continuing
3.12	The demonstration will increase use of naloxone, MAT and enhanced monitoring and reporting of opioid prescriptions through the prescription monitoring program, which will result in fewer overdose deaths due to opioid use.	Utilization of naloxone, MAT, and enhanced PDMP monitoring/reporting will increase annually and in comparison to the four years preceding this benefit; members receiving these services will have fewer opioid overdose deaths annually and in comparison	Administrative claims data, PDMP data	Continuing

Goal	Hypothesis	Methodology	Data Sources	New/Continuing?
		to the four years preceding this benefit.		
3.13	Providing targeted benefits to high-need justice-involved members 30 days prior to release will increase access to and utilization of necessary behavioral and physical health services and medications (including MAT and DME).	Members exiting incarceration will have increased utilization of preventative services at 30 days, 90 days, and annually after release in comparison to a similar population in the four years preceding this benefit.	Administrative claims data	New
3.14	Members with specific behavioral health conditions receiving pre-tenancy and tenancy housing support services will increase access to and utilization of necessary behavioral and physical health services.	Members receiving housing support services will have greater utilization of behavioral and physical health services annually and in comparison to a similar population in the four years preceding this benefit.	Administrative claims data	New
3.15	Participation in CHV will reduce infant hospitalizations and emergency room visits.	Percentage of children 0-1 participating in CHV with a hospital admission/ED visits as compared with those not participating in the CHV program.	Administrative claims data	New
3.16	Participation in CHV will increase the percentage of children receiving immunizations by age 2	Childhood immunizations	Administrative claims data	New
3.17	Native Americans and Tribal Populations will have increased access to culturally appropriate services, including traditional healing services, with the ability to voluntarily participate in managed care programs and/or other pilot initiatives.	Native American and Tribal members will have increased utilization of traditional healing as demonstrated by the issuance of service vouchers.	Administrative claims data	New
3.18	Members experiencing homelessness post-hospital discharge will have reduced hospital readmissions after utilizing Medical Respite Services.	Members receiving medical respite services will have reduced hospital readmissions annually and in comparison to a similar population in the four years preceding this benefit.	Administrative claims data	New

G. State Public Notice and Comment Period

The draft Medicaid 1115 demonstration waiver renewal application is open for public comment from September 6, 2022 to October 31, 2022. Public comment is open to anyone who would like to share feedback. We encourage health care and social service providers, Tribal leadership, Indian Health Service, Tribal Nations, Tribal health providers, Urban Indian healthcare providers, Managed Care Organizations, hospitals and health systems, medical associations, community-based organizations, the public, and others to provide input.

All information and materials pertaining to the renewal, including public hearing dates and times, tribal consultation date and time, public comment submission instructions, and a copy of HSD's full draft demonstration renewal application are available at: https://www.hsd.state.nm.us/medicaid-1115-waiver-renewal/.

If you do not have internet access, a copy of the draft waiver application may be requested by contacting HSD's Medical Assistance Division (MAD) at 505-827-1337. If you are a person with a disability and require this information in an alternative format or require a special accommodation to participate in the public hearing, please contact MAD in Santa Fe at 505-827-1337. The Department requests at least ten (10) calendar days advance notice to provide requested alternative formats and special accommodations.

Share your feedback by:

- Participating in a public hearing webinar. HSD will hold two public hearings to receive comments by teleconference due to the Public Health Emergency (PHE):

  September 30, 2022
  10:00 a.m. – 12:00 p.m. Mountain Standard Time (MST)
  Zoom Webinar Information:
  Dial In: 312-626-6799
  Meeting ID: 952 6881 1134
  Password: 759475
  Link: https://mmc.zoom.us/s/95268811134

  October 7, 2022
  10:00 a.m. – 12:00 p.m. MST
  Zoom Webinar Information:
  Dial In: 312-626-6799
  Meeting ID: 914 0081 8765
  Password: 197908
  Link: https://mmc.zoom.us/s/91400818765

- Email: 1115.PublicComments@state.nm.us

- Mail:
  Human Services Department
  ATTN: HSD/MAD 1115 Public Comments
  P.O. Box 2348
  Santa Fe, New Mexico 87504-2348

HSD has also scheduled a virtual government to government Tribal Consultation on October 14, 2022. Tribal Notification is located at https://www.hsd.state.nm.us/providers/written-tribal-notification-letters/. Meeting information for the Tribal Consultation is as follows:

October 14, 2022
10:00 am – 12:00 pm Mountain Standard Time (MST)
Zoom Meeting Information:
Dial In: 312-626-6799
Meeting ID: 924 8429 8381
Password: 304364
Link: https://mmc.zoom.us/s/92484298381

The deadline to provide public comment is Monday, October 31, 2022 at 5:00 pm MST.