



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

Letter of Direction # 1

Date: July 1, 2024

To: Turquoise Care Managed Care Organizations

From: Dana Flannery, Director, Medical Assistance Division *DF*
Nick Boukas, Director, Behavioral Health Services Division *NB*

Subject: Medicare becoming the Primary Payer for Opioid Treatment Program (OTP) Services

Title: Transition of Payment from Medicaid to Medicare for OTP Services

The purpose of this Letter of Direction (LOD) is to provide guidance and directives to the Turquoise Care Managed Care Organizations (MCOs) for implementation of Medicare coverage and payment of Opioid Treatment Programs (OTP).

On December 17, 2019, the Centers for Medicare and Medicaid Services (CMS) released an Informational Bulletin announcing that Medicare will become the primary payer for dually eligible beneficiaries (those enrolled in both Medicare and Medicaid) who currently receive OTP services through Medicaid. This includes medication-assisted treatment (MAT), toxicology testing, and counseling.

MCOs are directed to stop payment as primary payer for OTP services for dually eligible beneficiaries beginning on **October 1, 2020**. The MCO is expected to pay the Medicaid coinsurance/deductible for OTP services once the claim has crossed over from Medicare. The New Mexico Medicaid program will no longer pay for these services for dually eligible beneficiaries as of this date.

OTP providers have been encouraged to complete the process of becoming an enrolled Medicare provider to ensure on-going payment for the important services they provide. Unless OTP providers are enrolled with Medicare, they cannot submit claims for payment or receive a denial of payment.

Newly Medicare-enrolled OTP providers can get a retrospective billing date for up to 30 days prior to the effective date of enrollment from Medicare. MCOs are directed to recoup payment 60 days after the OTP provider's Medicare enrollment date for services that were paid by Medicare during this timeframe. CMS will also permit OTP providers to hold claims and bill Medicare once they are Medicare-enrolled. This process will allow Medicare to review the claim and, if appropriate, automatically cross the claim to Medicaid for payment.

MCOs can provide the link below to guide OTP providers to begin the Medicare enrollment process if they have not already done so:

<https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/Downloads/OTP-enrollment-factsheet-MLN6325432.pdf>

This LOD will sunset when direction is provided in one or more of the following: Turquoise Care Managed Care Services Agreement, Managed Care Policy Manual, NMAC, Systems Manual, or BHSD Billing and Systems Manual. The LOD may also sunset upon HCA notification or completion of the Turquoise Care Program.