




Michelle Lujan Grisham, Governor
Kari Armijo, Acting Secretary
Lorelei Kellogg, Acting Medicaid Director

Letter of Direction #93

Date: May 25, 2023

To: Centennial Care 2.0 Managed Care Organizations

From: Lorelei Kellogg, Acting Director, Medical Assistance Division 

Subject: Increased Limits for Costs Associated with Community Benefit Environmental Modifications and Community Transition Services

Title: Community Benefit Environmental Modifications and Community Transition Services

The purpose of this Letter of Direction (LOD) is to inform the Managed Care Organizations (MCOs) of the increased limits for the costs associated with the Community Benefit Environmental Modification benefit and the Community Transition Services benefit. These increases are effective as of March 28, 2023, in conjunction with the approval of the State of New Mexico's 1115 Demonstration Waiver Amendment Two. More information about these benefits can be found in NMAC 8.308.12 Social Services, Managed Care Program, Community Benefit.

Environmental Modification is available for members accessing Community Benefit through both the Agency-Based Community Benefit (ABCB) and the Self-Directed Community Benefit (SDCB) models. Environmental Modification services include the purchase and/or installation of equipment and/or making physical adaptations to a member's residence that are necessary to ensure the health, welfare, and safety of the member or enhance his/her level of independence. The cost limit for Environmental Modifications has been increased from five thousand dollars (\$5,000) every five (5) years to six thousand dollars (\$6,000) every five (5) years.

Community Transition Services are available to members accessing Community Benefit through the ABCB model. Community Transition Services are one-time set-up expenses for individuals who are transitioning from an institutional or another provider-operated living arrangement to a living arrangement in a private residence where the person is directly responsible for his or her own living expenses. In order to be eligible for this service, the person must have a Nursing Facility (NF) stay of at least 90 days prior to transition to the community. Community Transition Services do not include monthly rental or mortgage expense, food, regular utility charges, and/or household appliances or items that are intended for purely diversional/recreational purposes. The cost limit for Community Transition Services has been increased from three thousand five hundred dollars (\$3,500) per person every five (5) years to four thousand dollars (\$4,000) per person every five years. Deposits for Assisted Living Facilities are limited to a maximum of \$500.

Service Type, Program, Billing Codes, Unit, and Cost Limit:

Service Type	Program	Billing Code	Unit	Cost Limits
Environmental Modifications	ABCB or SDCB	S5165	Each	As approved by MCO (maximum of \$6000 every 5 years)
Community Transition Services	ABCB only	T2038	Per Service	As approved by MCO (maximum of \$4000 every 5 years, \$500 for ALF deposit)

MCOs should review any full or partial denials for these services that occurred between March 28, 2023 and current for reconsideration based on the updated limits.

This LOD will sunset upon inclusion in the Managed Care Policy Manual or NMAC 8.308.12.

If you have any managed care questions regarding this LOD, please contact Kristen Borders Wood at kristena.borderswoo@hsd.nm.gov.