

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-25-26
Baltimore, Maryland 21244-1850



State Demonstrations Group

September 5, 2023

Lorelei Kellogg
Interim Director, Medical Assistance Division
New Mexico Human Services Department
State Capitol, Room 400
Santa Fe, NM 87501

Dear Director Kellogg:

This letter is to inform you that the Centers for Medicare & Medicaid Services (CMS) has approved a temporary extension of the state's section 1115 demonstration, entitled "New Mexico Centennial Care 2.0" (Project Number: 11-W00285/6), in order to allow the state and CMS to continue negotiations over the state's demonstration application submitted on December 15, 2022. This demonstration will now expire December 31, 2024.

CMS's approval is conditioned upon the state's continued compliance with the special terms and conditions (STC) defining the nature, character, and extent of anticipated federal involvement in the project. The current STCs, waivers, and prorated expenditure authorities will continue to apply during the temporary extension of this demonstration. The state's current budget neutrality agreement and per member per month amounts (as of Demonstration Year 10) will continue to apply as described in the STCs, until December 31, 2024, or until the demonstration is extended, whichever is sooner. The state will not earn budget neutrality savings during this temporary extension period.

For this temporary extension period, the state must continue to monitor its demonstration as stipulated in the current STCs. In addition, the state is required to include the temporary extension period in its demonstration evaluation. The state may choose to include the temporary extension period within its summative evaluation for the demonstration approval period beginning January 1, 2019. Alternatively, if CMS approves an extension beyond December 31, 2024, the state may choose to include this temporary extension period in the Evaluation Design and activities of the next full demonstration approval period.

Your CMS project officer for this demonstration is Ms. Sandra Phelps. She is available to answer any questions concerning your section 1115 demonstration. Ms. Phelps can be reached at Sandra.Phelps@cms.hhs.gov. If you have questions regarding this communication, please contact me at (410) 786-9686.

Sincerely,

Mehreen H. Rashid
Acting Director

cc: Dana Brown, State Monitoring Lead, Managed Care Group