



DEPARTMENT OF HEALTH AND HUMAN SERVICES

**OFFICE OF INSPECTOR GENERAL**



OFFICE OF AUDIT SERVICES, REGION VI  
1100 COMMERCE STREET, ROOM 632  
DALLAS, TX 75242

March 3, 2020

Report Number: A-06-20-09001

Nicole Comeaux  
Medicaid Director  
New Mexico Human Services Department  
1 Plaza la Prensa  
Santa Fe, NM 87507

Dear Ms. Comeaux:

The purpose of this letter is to notify you of our intention to conduct an audit of New Mexico's capitation payments for Community Benefit (CB) services. The objective of our audit is to determine whether the New Mexico Human Services Department performed reconciliations of capitation payments for CB services as required under its contracts with managed care organizations and refunded the Federal share of any related recoveries to the Federal government.

As a recipient of U.S. Department of Health and Human Services (HHS) grant funds, the New Mexico Human Services Department is subject to Office of Inspector General (OIG) audits and other reviews. Pursuant to 45 CFR § 92.42(e), OIG has the right to timely and unrestricted access to all books, documents, papers, or other records that are pertinent to the Federal grant award.

OIG performs independent reviews of HHS programs and operations pursuant to the Inspector General Act of 1978, 5 U.S.C. App. § 4(a)(1). Medicaid providers of services, under the authority contained in section 1902(a)(27) of the Social Security Act, must provide such information as the Secretary of HHS or the appropriate State agency requests regarding payments claimed for services.

Under the health information privacy regulation that implements the Health Insurance Portability and Accountability Act of 1996, providing the information requested by this letter is a permitted disclosure because it (1) is "required by law" to be produced to OIG as part of your participation in a Government benefits program (45 CFR §§ 164.512(a) and 164.103) and (2) will be used for "health oversight" activities by OIG, which meets the definition of a "health oversight agency" (45 CFR §§ 164.512(d) and 164.501).

To expedite completion of our work, we request that you have the reconciliations of capitated payments for CB services for calendar years 2014 through 2018 and the supporting all capitated payment and encounter data available on or before our entrance conference. During our review, we will also need access to additional documents and records. We appreciate your cooperation in this matter and will make every effort to minimize any disruption to the work of your office.

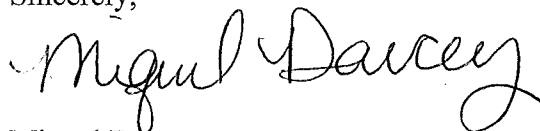
When transmitting any audit information to the Office of Audit Services over the Internet, please properly safeguard the information. We request that you use the HHS/OIG Delivery Server, not email or attachments to email. Information transmitted through the HHS/OIG Delivery Server complies with Federal Information Processing Standard (FIPS) 140-2, *Security Requirements for Cryptographic Modules*. Please contact Jonathan Valenzuela of my staff at (202) 878-2816, when you are ready to provide the requested information. We will authorize your staff to use the HHS/OIG Delivery Server and give instructions in its use.

We are required to report as a security breach any audit information sent to us that does not meet FIPS 140-2 requirements.

This audit will be performed under my direction. As arranged by Jonathan Valenzuela of my staff, we plan to hold an entrance conference on April 7, 2020, at 9:00 a.m.

If you have any questions or concerns about our review, please contact me at (405) 605-6188, extension 222, or through email at [Miquel.Darcey@oig.hhs.gov](mailto:Miquel.Darcey@oig.hhs.gov) or Eurika Ramdas, Senior Auditor, at (202) 878-2811 or [Eurika.Ramdas@oig.hhs.gov](mailto:Eurika.Ramdas@oig.hhs.gov). Please refer to report number A-06-20-09001 in all correspondence. Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink that reads "Miquel Darcey". The signature is fluid and cursive, with the first name "Miquel" and last name "Darcey" clearly distinguishable.

Miquel Darcey  
Assistant Regional Inspector General  
for Audit Services