

NEW MEXICO OFFICE OF RECOVERY AND REINVESTMENT
Cash Management Plan

Agency	Human Services Department (HSD)
Award #, Name & Amount	05-09-05-NM-5028 MEDICAID \$737,635,352

The purpose of this Cash Management Plan for ARRA funds is to minimize the impact on State General Fund (GF) due to ARRA.

Overview of Cash Flow:

HSD Medicaid provides payments to Managed Care Organizations (MCOs) and other provider agencies that provide healthcare services to eligible individuals. HSD contracts with ACS, Inc., the fiscal agent, that processes all Medicaid claims. Service providers send claims to ACS for reimbursement. ACS prepares claims weekly and sends claims to HSD for processing. MCOs are paid monthly on the 2nd Monday of every month and other providers are paid weekly. HSD releases payments weekly based on reports from ACS. The GF is reimbursed by federal wire within 2 days of drawdown request.

	Question	Response
1	Who receives payments and how are payments received from GF for services of this ARRA grant?	<i>Who: MCOs and other service providers serving eligible individuals; How: Payments are made by Electronic Fund Transfer (EFT) or warrant from GF to MCOs on the 2nd Monday of each month and on a weekly basis to other service providers, including State agency providers.</i>
2	Explain at what point GF is out the money paid to recipients of this ARRA grant?	<i>GF is out the money when HSD releases GF payments by EFT or when warrants are redeemed.</i>
3	How long after GF is out the money is the ARRA drawdown request processed?	<i>On a weekly basis after Medicaid claims are paid, based on ACS reports to HSD, a federal drawdown request is processed.</i>
4	What documentation is used for calculating the amount of the ARRA drawdown?	<i>ACS provides reports to HSD weekly for all Medicaid claims processed in that week. These reports are used by HSD to release payments and calculate the amount of the drawdown.</i>
5	What documentation of the drawdown request is required for reimbursement from Feds?	<i>Documentation is not required at time of drawdown request but may be required at time of site visit or audit.</i>
6	What is the total approximate time from when GF has paid the money to when GF is reimbursed?	<i>1 Day – if “same day” drawdown request is processed by 10:00 a.m. funds are wired the same day; 2 Days – if “same day” drawdown request is processed after 10:00 a.m. funds wired on next day.</i>

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7	How does HSD obtain agreement from the Feds for the ARRA drawdown request?	<i>Federal agencies can confirm on-line the amount requested and that there is sufficient grant award balance.</i>
8	How does HSD know that the drawdown request has been approved?	<i>HSD staff would know immediately if drawdown request is disapproved because the on-line transaction would be stopped; HSD monitors ARRA fund 890 in SHARE on weekly and monthly basis for outstanding drawdowns.</i>
9	How does HSD know that reimbursement has been received from the Feds for the drawdown request?	<i>HSD staff monitors ARRA fund 890 in SHARE on a weekly basis for undrawn ARRA expenditures & un-deposited ARRA drawdown requests</i>
10	How is the reimbursement from the Feds matched to ARRA drawdown request?	<i>Matching of drawdown requests and deposits is done at the State Treasurer's Office and confirmed by HSD staff through review of ARRA fund 890 in SHARE</i>

Cash Management Plan noted above is approved as follows:

Human Services Department Agreement in the Above Plan

Print Name	Signature	Position	Date
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NMORR Approval of Above Plan

Print Name	Signature	Position	Date
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