



Michelle Lujan Grisham, Governor  
David R. Scrase, M.D., Secretary  
Nicole Comeaux, J.D., M.P.H., Director

March 19, 2020

Mr. Bill Brooks, Medicaid Associate Regional Administrator  
Division of Medicaid and Children's Health  
Centers for Medicare and Medicaid Services  
1301 Young Street  
Dallas, Texas 75202

Dear Mr. Brooks:

Enclosed please find documents related to New Mexico State Plan Amendment (SPA) 20-0002 Long-Acting Reversible Contraception (LARC) Reimbursement.

The New Mexico Human Services Department (HSD) implemented an increase in payment for LARC administration and insertion codes effective January 1, 2020. Therefore, HSD is updating the state plan to reflect that fees were last established on January 1, 2020.

The increase in payment for LARC will support and assure adequate compensation to providers who offer this important service to Medicaid-eligible women. HSD believes this critical rate adjustment will help to assure and improve women's access to reproductive health services in New Mexico. The proposed rate increases were supported, endorsed and funded by the New Mexico Legislature during the 2019 regular session.

HSD followed a process that included public notification, tribal notification and web posting. Documentation of these activities is attached.

Please refer to the attachments for the transmittal form and notices.

We appreciate your consideration of this state plan amendment. Should you have any questions on this amendment, please contact Jennifer Vigil at: [JenniferR.Vigil@state.nm.us](mailto:JenniferR.Vigil@state.nm.us) or (505) 827-6213.

Sincerely,

Nicole Comeaux, J.D., M.P.H., Director  
Medical Assistance Division

cc: Peter Banks, CMS  
Tonya Pamatian, Bureau Chief, Policy and Provider Services Bureau, MAD

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL  
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER  
2 0 — 0 0 2

2. STATE  
New Mexico

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR  
CENTERS FOR MEDICARE & MEDICAID SERVICES  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE  
January 1, 2020

5. TYPE OF PLAN MATERIAL (Check One)  
 NEW STATE PLAN       AMENDMENT TO BE CONSIDERED AS NEW PLAN       AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION  
42 CFR 447 Subpart F

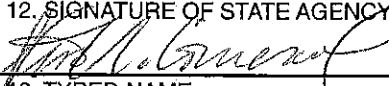
7. FEDERAL BUDGET IMPACT  
a. FFY 2020 \$ 1,687,500  
b. FFY 2021 \$ 2,250,000

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  
Attachment 4.19-B page 2

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)  
Attachment 4.19-B page 2

10. SUBJECT OF AMENDMENT  
Long-Acting Reversible Contraception (LARC) Reimbursement


11. GOVERNOR'S REVIEW (Check One)  
 GOVERNOR'S OFFICE REPORTED NO COMMENT       OTHER, AS SPECIFIED  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL  


13. TYPED NAME  
Nicole Comeaux

14. TITLE  
Director, Medical Assistance Division

15. DATE SUBMITTED  
March 19, 2020

16. RETURN TO  
Nicole Comeaux, J.D., M.P.H., Director  
Medical Assistance Division  
P.O. Box 2348  
Santa Fe, NM 87504-2348 

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED

18. DATE APPROVED

**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL

20. SIGNATURE OF REGIONAL OFFICIAL

21. TYPED NAME

22. TITLE

23. REMARKS

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
STATE OF NEW MEXICO  
AND STANDARDS FOR ESTABLISHING PAYMENT RATES  
--OTHER TYPES OF CARE

**Attachment 4.19-B**

**Page 2**

The average commercial rates are determined by:

- i. Calculating a commercial payment to charge ratio for all services paid to the eligible providers by commercial insurers using the providers' claims-specific data from the most currently available fiscal year period.
  - ii. Multiplying the Medicaid charges by the commercial payment to charge ratio to establish the estimated commercial payments to be made for these services; and
  - iii. Subtracting the interim Medicaid payments already made for these services to establish the supplemental payment amount.
- a. Providers eligible under Part (a) of this section will be paid on an interim claims-specific basis through the Department's claims processing system using the methodology outlined elsewhere in this state plan. The supplemental payment, which represents final payment for services, will be made on a quarterly basis subject to available claims data.

**A. Medical and Dental Services**

Medical and dental services are reimbursed on a fee schedule basis and include physicians, dentists, radiologists, and radiological facilities, licensed treatment and diagnostic centers and family planning clinics, podiatrists, optometrists, certified nurse midwives and certified nurse practitioners working under the direction of a physician.

Preventive services provided to alternative benefit plan recipients not otherwise covered under standard Medicaid benefits are also reimbursed using this methodology including annual preventive care physicals, expanded nutritional and dietary counseling, and expanded skin cancer and tobacco use counseling. Electroconvulsive therapy services provided to alternative benefit plan recipients not otherwise covered under standard Medicaid benefits are paid at the Medicare fee schedule rate.

Services rendered under the supervision of one of the above providers are paid at the fee schedule rate for the supervising provider when the service is performed by one of the following: a dietician; clinical pharmacist; physician assistant; dental hygienist; nurse; certified nurse practitioner; or, clinical nurse specialist.

Except as otherwise noted in the state plan, state developed fee schedule rates are the same for both governmental and private providers. The agency's fee schedule rates were set as of January 1, 2020 and are effective for services provided on or after that date. All rates are published at <http://www.hsd.state.nm.us/providers/fee-schedules.aspx>.

TN No. 20-0002

Approval Date \_\_\_\_\_

Supersedes TN No. 19-0004

Effective Date \_\_\_\_\_

NEWSPAPER PUBLIC NOTICE AND PROOF OF PUBLICATION

The New Mexico Human Services Department (HSD) is announcing its intention to raise certain Medicaid provider payment rates effective January 1, 2020, as a critical next step in fulfilling Governor Michelle Lujan-Grisham's promise to support and strengthen providers at the center of New Mexico's health care safety net. Raising Medicaid payment rates recognizes the state's partnership with providers who deliver care and services to the most vulnerable New Mexicans, and HSD believes that these critical rate adjustments will help to fortify and protect New Mexico's health care delivery network. The proposed rate increases were supported, endorsed and funded by the New Mexico Legislature during the 2019 regular session.

This set of rate adjustments is the third major increase for Medicaid providers in state fiscal year 2020 (FY20). In determining the scope and amounts for these provider rate increases, HSD conducted extensive analysis to determine where additional changes would have an immediate positive impact for Medicaid patients and aid the department in fulfilling high-priority policy initiatives. In total, HSD proposes approximately \$40 million in payment rate increases on January 1, with an impact to the state general fund of approximately \$9 million.

Through this notice, HSD invites members of the public and provider community to comment on the proposed rate increases that are described below. Additional detail may be found on the proposed fee schedules that are posted on the HSD website at [www.hsd.state.nm.us/providers/fee-schedules.aspx](http://www.hsd.state.nm.us/providers/fee-schedules.aspx). Some of the proposed provider rate increases will require revisions to the New Mexico Medicaid State Plan that HSD must file with the federal Centers for Medicare and Medicaid Services (CMS).

✓ **1. Increase in Payment Rates for the Administration or Insertion of Long-Acting Reversible Contraception (LARC)**

One of Governor Lujan Grisham's cornerstone policy priorities is to assure and improve women's access to reproductive health services. A foundational component of reproductive healthcare is ensuring that New Mexican women are able to choose and obtain highly effective contraception, including LARC products and devices, from their health care provider. As a way of supporting and assuring adequate compensation to providers who offer this important service to Medicaid-eligible women, HSD proposes to increase payment rates for LARC administration and insertion codes effective January 1, 2020. The proposed codes, rates, and percentage increases are listed below:

Procedure Code	Current Medicaid Reimbursement	New Medicaid Rate Effective 1/1/20	Percentage Increase
11981 – Insertion of LARC implant	\$149.34	\$300.00	101%
11982 – Removal of LARC implant	\$141.34	\$282.68	100%
11983 – Removal and reinsertion of LARC implant	\$256.46	\$512.92	100%
58300 – Insertion of Intrauterine Device (IUD)	\$119.07	\$300.00	152%
58301 – Removal of IUD	\$99.40	\$198.80	100%

The anticipated annual fiscal impact to HSD for this increase is estimated to be \$2.5 million total in state and federal funds combined, with a state general fund impact of \$250,000. The proposed fee schedule changes to these codes and rates are posted at [www.hsd.state.nm.us/providers/fee-schedules.aspx](http://www.hsd.state.nm.us/providers/fee-schedules.aspx).

**2. Increase in Payment Rates to Certain Hospitals through Managed Care Directed Payments**

**a. Governmental and Investor-Owned Hospitals**

Effective January 1, 2020, HSD proposes to raise reimbursement rates paid under the Centennial Care program to New Mexico's governmental and investor-owned hospitals to ensure that payments are sufficiently adequate to help cover certain business and operating expenses. This increase is the result of analysis performed by HSD as announced in the Department's August 30, 2019, notice to interested parties regarding a Centennial Care directed payment for not-for-profit community hospitals. Approval for the rate increase for these governmental and investor-owned hospital facilities will be requested from CMS through the managed care directed payment authority as outlined at 42 CFR §438.6.

The anticipated annual fiscal impact to HSD for this increase is estimated to be \$7.5 million total in state and federal funds combined, with a state general fund impact of \$2 million. A list of the hospitals that HSD has identified as governmental and investor-owned facilities eligible for this rate increase can be found at [www.hsd.state.nm.us/providers/fee-schedules.aspx](http://www.hsd.state.nm.us/providers/fee-schedules.aspx).

**b. Hospitals Serving a High Share of Native American Medicaid Members**

Effective January 1, 2020, HSD proposes to raise reimbursement rates paid under the Centennial Care program to New Mexico hospitals that serve a high ratio of Native American Medicaid members. This increase is being done to assure improved access to care for Native Americans who are enrolled in the Medicaid program, and to recognize the hospitals that serve the largest share of these members in New Mexico. The list of hospitals that qualify for this rate increase is based on New Mexico facilities with at least 15 percent of total patient volume attributed to Native American members. Approval for the rate increase for these hospital facilities will be requested from CMS through the managed care directed payment authority as outlined at 42 CFR §438.6.

The anticipated annual fiscal impact to HSD for this increase is estimated to be \$5 million total in state and federal funds combined, with a state general fund impact of \$1 million. A list of the hospitals that qualify for this rate increase can be found at [www.hsd.state.nm.us/providers/fee-schedules.aspx](http://www.hsd.state.nm.us/providers/fee-schedules.aspx).

**c. State Teaching Hospital**

Effective January 1, 2020, HSD proposes to implement a set of managed care directed payments for the State Teaching Hospital at the University of New Mexico (UNMH). The UNMH directed payments are designed to provide delivery system and provider payment incentives for workforce development, new behavioral health program development (including a statewide behavioral telehealth network) with emphasis on child and adolescent services, substance abuse disorder treatment, and behavioral health services for justice-involved individuals. In addition, the directed payments will support continuity of care and services to Native Americans in recognition of UNMH's unique commitment to Native American New Mexicans.

Approval for the rate increase for UNMH will be requested from CMS through the managed care directed payment authority as outlined at 42 CFR §438.6. The state general fund portion will be financed by UNMH through an Intergovernmental Transfer (IGT).

**d. Department of Health (DOH) Designated Trauma Hospitals – April 1, 2020**

Effective April 1, 2020, HSD intends to implement a new managed care directed payment to increase rates for hospitals providing trauma care as designated by the New Mexico DOH. Additional details about this rate increase and qualifying facilities will be provided in a subsequent public notice by HSD. Through this rate adjustment, HSD expects to be able to leverage approximately \$5.5 million additional in federal Medicaid funding to support these facilities.

**3. Safety-Net Care Pool (SNCP) Hospital Payment Transition**

New Mexico's Section 1115 Demonstration Waiver for the Centennial Care program requires the state to transition its current SNCP program from its existing structure into a new design by January 1, 2020. Effective on that date, the basis for SNCP hospital payments will no longer be based on uncompensated care. SNCP hospitals will receive a rate increase for inpatient and outpatient services, in addition to incentive payments for expanding their scope of services to include obstetrics, telehealth, and behavioral health; and for implementing strategies to expand the medical and behavioral health workforces in their hospitals and communities. Approval for the SNCP hospital payment transition will be requested from CMS through the directed payment authority as outlined at 42 CFR §438.6.

The total value of the SNCP hospital payment transition is approximately \$69 million total in state and federal funds combined, with a state general fund share of approximately \$19 million. These costs are not new to HSD and are already built into the Medicaid base budget as a component of hospital payment rates. Therefore, there is no

additional fiscal impact to HSD as a result of these changes. HSD is not proposing any changes to the Hospital Quality Improvement Incentive (HQII) program at this time.

The list of hospitals that are eligible for SNCP payments under this transition is posted at [www.hsd.state.nm.us/providers/fee-schedules.aspx](http://www.hsd.state.nm.us/providers/fee-schedules.aspx).

#### 4. Minimum Wage Adjustment for Personal Care Services (PCS)

Effective January 1, 2020, HSD proposes to raise reimbursement rates for community benefit PCS providers by an average of \$1.06 per hour. This increase is necessary to help mitigate the costs that will be borne by PCS provider agencies as a result of the minimum wage increase that will go into effect on January 1. HSD implemented the first phase of a rate increase for PCS providers as part of the minimum wage adjustment on July 1, 2019. The rate increase for January 1, 2020, represents the second and final rate adjustment for PCS.

The anticipated annual fiscal impact to HSD for the PCS rate increase is \$23 million total in state and federal funds combined, with a state general fund impact of \$5 million.

#### 5. Transportation for Justice-Involved Members

Effective January 1, 2020, HSD proposes to add a new component to the Non-Emergency Medical Transportation (NEMT) benefit for justice-involved Medicaid-eligible members who are transitioning out of prison or jail. NEMT to the pharmacy will be allowed within the first seven days after release when the Medicaid-enrolled member has a current and valid prescription that has not been filled. The member may be transported directly to the pharmacy to obtain prescription medicines, and then transported to a domicile or residence within the same city limits as their originating pick-up point. To assure reimbursement, transportation must be provided by the approved vendor or transportation provider as authorized by the member's Centennial Care managed care organization (MCO). Alternate transportation providers (i.e., taxicab or Uber), rideshare arrangements, or transportation provided by the member's family or personal acquaintances will not be reimbursed by Medicaid.

The anticipated annual fiscal impact to HSD for adding this component to the NEMT benefit is \$2 million total in state and federal funds combined, with a state general fund impact of \$400,000.

#### 6. Photoscreening and Vision Screening Rate Equalization

Effective January 1, 2020, HSD proposes to equalize vision screening rates for two codes, as proposed below:

Procedure Code	Current Medicaid Reimbursement	New Medicaid Rate Effective 1/1/20	Percentage Change
99173 – Screening test of visual acuity	\$39.93	\$35.00	(12%)
99177 – Instrument-based ocular screening	\$10.00	\$35.00	250%

This change is being made to assure parity of reimbursement in vision acuity screening for children by primary care providers (PCPs) and pediatric ophthalmologists. Evidence indicates that instrument-based ocular screening is more effective than other screening methods for children age three and younger. Current New Mexico Medicaid reimbursement for procedure code 99173 exceeds both Medicare and regional averages considerably; therefore, HSD proposes a slight reduction to achieve reasonable reimbursement and rate parity for these two services.

The anticipated annual fiscal impact to HSD for this vision services increase is estimated to be \$400,000 total in state and federal funds combined, with a state general fund impact of \$100,000.

The proposed fee schedule changes to these codes and rates are posted at [www.hsd.state.nm.us/providers/fee-schedules.aspx](http://www.hsd.state.nm.us/providers/fee-schedules.aspx).

## **OPPORTUNITY TO VIEW DOCUMENTS AND MAKE COMMENTS**

Health care providers, Medicaid clients, and other interested parties are invited to submit comments on the proposed payment rates and new services.

Proposed fee schedules and lists of facilities may be found on the HSD website at:  
[www.hsd.state.nm.us/providers/fee-schedules.aspx](http://www.hsd.state.nm.us/providers/fee-schedules.aspx).

Scroll to the bottom of the page, click on “agree”; then click on “submit”. On the page that appears, scroll to the section titled “Proposed Fee Schedules or Rates”.

If you do not have Internet access, a written copy of these proposed changes may be requested by contacting HSD at (505) 827-1337.

Recorded comments may be left by calling (505) 827-1337. Electronic comments may be submitted to [madrules@state.nm.us](mailto:madrules@state.nm.us). All comments must be received no later than 5:00 p.m. Mountain Time, December 31, 2019. Interested persons may address written comments to:

Human Services Department  
ATTN: Medical Assistance Division Public Comments  
P.O. Box 2348  
Santa Fe, NM 87504-2348

If you are a person with a disability and you require this information in an alternative format, please contact HSD at (505) 827-1337. The Department requests at least 10 working days advance notice to provide requested alternative formats.

All comments will be compiled and made available on the HSD website.



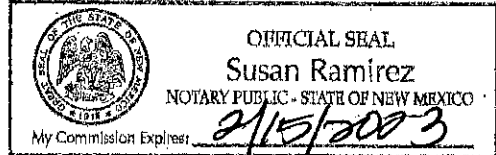
# AFFIDAVIT OF PUBLICATION

## STATE OF NEW MEXICO

County of Bernalillo SS

Elise Rodriguez, the undersigned, on oath states that she is an authorized Representative of The Albuquerque Journal, and that this newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Session Laws of 1937, and that payment therefore has been made or assessed as court cost; that the notice, copy of which hereto attached, was published in said paper in the regular daily edition, for 1 time(s) on the following date(s):

12/02/2019



*[Signature]*


*[Signature]*

Sworn and subscribed before me, a Notary Public, in and for the County of Bernalillo and State of New Mexico this 2 day of December of 2019

PRICE \$711.54

Statement to come at the end of month.

ACCOUNT NUMBER 1009565



### HUMAN SERVICES DEPARTMENT

The New Mexico Human Services Department (HSD) is announcing its intention to raise certain Medicaid provider payment rates effective January 1, 2020, as a critical next step in fulfilling Governor Michelle Lujan Grisham's promise to support and strengthen providers at the center of New Mexico's health care safety net. Raising Medicaid payment rates recognizes the state's partnership with providers who deliver care and services to the most vulnerable New Mexicans, and HSD believes that these critical rate adjustments will help to fortify and protect New Mexico's health care delivery network. The proposed rate increases were supported, endorsed and funded by the New Mexico Legislature during the 2019 regular session.

This set of rate adjustments is the third major increase for Medicaid providers in state fiscal year 2020 FY20. In determining the scope and amounts for these provider rate increases, HSD conducted extensive analysis to determine where additional changes would have an immediate positive impact for Medicaid patients and aid the department in fulfilling high-priority policy initiatives. In total, HSD proposes approximately \$40 million in payment rate increases on January 1, with an impact to the state general fund of approximately \$9 million.

Through this notice, HSD invites members of the public and provider community to comment on the proposed rate increases that are described below. Additional detail may be found on the proposed fee schedules that are posted on the HSD website at [www.hsd.state.nm.us/providers/fee-schedules.aspx](http://www.hsd.state.nm.us/providers/fee-schedules.aspx). Some of the proposed provider rate increases will require revisions to the New Mexico Medicaid State Plan that HSD must file with the federal Centers for Medicare and Medicaid Services (CMS).

**1. Increase in Payment Rates for the Administration or Insertion of Long-Acting Reversible Contraception (LARC)**

One of Governor Lujan Grisham's cornerstone policy priorities is to assure and improve women's access to reproductive health services. A foundational component of reproductive health care is ensuring that New Mexican women are able to choose and obtain highly effective contraception, including LARC products and devices, from their health care provider. As a way of supporting and assuring adequate compensation to providers who offer this important service to Medicaid-eligible women, HSD proposes to increase payment rates for LARC administration and insertion codes effective January 1, 2020. The proposed codes, rates, and percentage increases are listed below:

Procedure Code	Current Medicaid Reimbursement	New Medicaid Rate Effective 1/1/20	Percentage Increase
11981 - Insertion of LARC Implant	\$149.34	\$300.00	101%
11982 - Removal of LARC Implant	\$141.34	\$282.68	100%
11983 - Removal and reinsertion of LARC Implant	\$256.46	\$512.92	100%
58300 - Insertion of Intrauterine Device (IUD)	\$119.07	\$300.00	152%
58301 - Removal of IUD	\$99.40	\$198.80	100%

The anticipated annual fiscal impact to HSD for this increase is estimated to be \$2.5 million total in state and federal funds combined with a state general fund impact of \$250,000. The proposed fee schedule changes to these codes and rates are posted at [www.hsd.state.nm.us/providers/fee-schedules.aspx](http://www.hsd.state.nm.us/providers/fee-schedules.aspx).

## 2. Increase in Payment Rates to Certain Hospitals through Managed Care Directed Payments

### a. Governmental and Investor-Owned Hospitals

Effective January 1, 2020, HSD proposes to raise reimbursement rates paid under the Centennial Care program to New Mexico's governmental and investor-owned hospitals to ensure that payments are sufficiently adequate to help cover certain business and operating expenses. This increase is the result of analysis performed by HSD as announced in the Department's August 30, 2019, notice to interested parties regarding a Centennial Care directed payment for not-for-profit community hospitals. Approval for the rate increase for these governmental and investor-owned hospital facilities will be requested from CMS through the managed care directed payment authority as outlined at 42 CFR §438.6.

The anticipated annual fiscal impact to HSD for this increase is estimated to be \$7.5 million total in state and federal funds combined, with a state general fund impact of \$2 million. A list of the hospitals that HSD has identified as governmental and investor-owned facilities eligible for this rate increase can be found at [www.hsd.state.nm.us/providers/fee-schedules.aspx](http://www.hsd.state.nm.us/providers/fee-schedules.aspx).

### b. Hospitals Serving a High Share of Native American Medicaid Members

Effective January 1, 2020, HSD proposes to raise reimbursement rates paid under the Centennial Care program to New Mexico hospitals that serve a high ratio of Native American Medicaid members. This increase is being done to assure improved access to care for Native Americans who are enrolled in the Medicaid program, and to recognize the hospitals that serve the largest share of these members in New Mexico. The list of hospitals that qualify for the rate increase is based on New Mexico facilities with at least 15 percent of total patient volume attributed to Native American members. Approval for the rate increase for these hospital facilities will be requested from CMS through the managed care directed payment authority as outlined at 42 CFR §438.6.

The anticipated annual fiscal impact to HSD for this increase is estimated to be \$5 million total in state and federal funds combined, with a state general fund impact of \$1 million. A list of the hospitals that qualify for this rate increase can be found at [www.hsd.state.nm.us/providers/fee-schedules.aspx](http://www.hsd.state.nm.us/providers/fee-schedules.aspx).

### c. State Teaching Hospital

Effective January 1, 2020, HSD proposes to implement a set of managed care directed payments for the State Teaching Hospital at the University of New Mexico (UNMH). The UNMH directed payments are designed to provide delivery system and provider payment incentives for workforce development, new behavioral health program development (including a statewide behavioral telehealth network) with emphasis on child and adolescent services, substance abuse disorder treatment, and behavioral health services for justice-involved individuals. In addition, the directed payments will support continuity of care and services to Native Americans in recognition of UNMH's unique commitment to Native American New Mexicans.

Approval for the rate increase for UNMH will be requested from CMS through the managed care directed payment authority as outlined at 42 CFR §438.6. The state general fund portion will be financed by UNMH through an Intergovernmental Transfer (IGT).

### d. Department of Health (DOH) Designated Trauma Hospitals - April 1, 2020

Effective April 1, 2020, HSD intends to implement a new managed care directed payment to increase rates for hospitals providing trauma care as designated by the New Mexico DOH. Additional details about this rate increase and qualifying facilities will be provided in a subsequent public notice by HSD. Through this rate adjustment, HSD expects to be able to leverage approximately \$5.5 million additional in federal Medicaid funding to support these facilities.

## 3. Safety-Net Care Pool (SNCP) Hospital Payment Transition

New Mexico's Section 1115 Demonstration Waiver for the Centennial Care program requires the state to transition its current SNCP program from its existing structure into a new design by January 1, 2020. Effective on that date, the basis for SNCP hospital payments will no longer be based on uncompensated care. SNCP hospitals will receive a rate increase for inpatient and outpatient services, in addition to incentive payments for expanding their scope of services to include obstetrics, telehealth, and behavioral health, and for implementing strategies to expand the medical and behavioral health workforces in their hospitals and communities. Approval for the SNCP hospital payment transition will be requested from CMS through the directed payment authority as outlined at 42 CFR §438.6.

The total value of the SNCP hospital payment transition is approximately \$69 million total in state and federal funds combined, with a state general fund share of approximately \$19 million. These costs are not new to HSD and are already built into the Medicaid base budget as a component of hospital payment rates. Therefore, there is no additional fiscal impact to HSD as a result of these changes. HSD is not proposing any changes to the Hospital Quality Improvement Incentive (HQII) program at this time.

The list of hospitals that are eligible for SNCP payments under this transition is posted at [www.hsd.state.nm.us/providers/fee-schedules.aspx](http://www.hsd.state.nm.us/providers/fee-schedules.aspx).

## 4. Minimum Wage Adjustment for Personal Care Services (PCS)

Effective January 1, 2020, HSD proposes to raise reimbursement rates for community benefit PCS providers by an average of \$1.06 per hour. This increase is necessary to help mitigate the costs that will be borne by PCS provider agencies as a result of the minimum wage increase that will go into effect on January 1. HSD implemented the first phase of a rate increase for PCS providers as part of the minimum wage adjustment on July 1, 2019. The rate increase for January 1, 2020, represents the second and final rate adjustment for PCS.

The anticipated annual fiscal impact to HSD for the PCS rate increase is \$23 million total in state and federal funds combined, with a state general fund impact of \$5 million.

## 5. Transportation for Justice-Involved Members

Effective January 1, 2020, HSD proposes to add a new component to the Non-Emergency Medical Transportation (NEMT) benefit for justice-involved Medicaid-eligible members who are transitioning out of prison or jail. NEMT to the pharmacy will be allowed within the first seven days after release when the Medicaid-enrolled member has a current and valid prescription that has not been filled. The member may be transported directly to the pharmacy to obtain prescription medications, and then transported to a domicile or residence within the same city limits as their originating pick-up point. To assure reimbursement, transportation must be provided by the approved vendor or transportation provider as authorized by the member's Centennial Care managed care organization (MCO). Alternate transportation providers (i.e., taxicab or Uber), rideshare arrangements, or transportation provided by the member's family or personal acquaintances will not be reimbursed by Medicaid.

The anticipated annual fiscal impact to HSD for adding this component to the NEMT benefit is \$2 million total in state and federal funds combined, with a state general fund impact of \$400,000.

## 6. Photocopying and Vision Screening Rate Equalization

Effective January 1, 2020, HSD proposes to equalize vision screening rates for two codes, as proposed below.

Procedure Code	Current Medicaid Reimbursement	New Medicaid Rate Effective 1/1/20	Percentage Change
99173 - Screening test of visual acuity	\$39.93	\$35.00	(12%)
99177 - Instrument-based ocular screening	\$10.00	\$35.00	250%

This change is being made to assure parity of reimbursement in vision acuity screening for children by primary care providers (PCPs) and pediatric ophthalmologists. Evidence indicates that instrument-based ocular screening is more effective than other screening methods for children age three and younger. Current New Mexico Medicaid reimbursement for procedure code 99173 exceeds both Medicare and regional averages considerably; therefore, HSD proposes a slight reduction to achieve reasonable reimbursement and rate parity for these two services.

The anticipated annual fiscal impact to HSD for this vision services increase is estimated to be \$400,000 total in state and federal funds combined, with a state general fund impact of \$100,000.

The proposed fee schedule changes to these codes and rates are posted at [www.hsd.state.nm.us/providers/fee-schedules.aspx](http://www.hsd.state.nm.us/providers/fee-schedules.aspx).

**OPPORTUNITY TO VIEW DOCUMENTS AND MAKE COMMENTS**

Health care providers, Medicaid clients, and other interested parties are invited to submit comments on the proposed payment rates and new services.

Proposed fee schedules and lists of facilities may be found on the HSD website at [www.hsd.state.nm.us/providers/fee-schedules.aspx](http://www.hsd.state.nm.us/providers/fee-schedules.aspx).

Scroll to the bottom of the page, click on "agree", then click on "submit". On the page that appears, scroll to the section titled "Proposed Fee Schedules or Rates".

If you do not have Internet access, a written copy of these proposed changes may be requested by contacting HSD at (505) 827-1337.

Recorded comments may be left by calling (505) 827-1337. Electronic comments may be submitted to [madules@state.nm.us](mailto:madules@state.nm.us). All comments must be received no later than 5:00 p.m. Mountain Time, December 31, 2019; interested persons may address written comments to:

Human Services Department  
 ATTN: Medical Assistance Division Public Comments  
 P.O. Box 2348  
 Santa Fe, NM 87504-2348

If you are a person with a disability and you require this information in an alternative format, please contact HSD at (505) 827-1337. The Department requests at least 10 working days advance notice to provide requested alternative formats.

All comments will be compiled and made available on the HSD website.

Journal: December 2, 2019

# Las Cruces Sun News.

PART OF THE USA TODAY NETWORK

## Affidavit of Publication

Ad # 0003927974

This is not an invoice

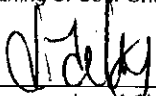
HUMAN SVCS DEPT - ME D ASSIST DIV  
POBOX 2348

SANTA FE, NM 87504

I, a legal clerk of the Las Cruces Sun News, a newspaper published daily at the county of Dona Ana, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

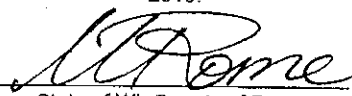
December 2, 2019

Desponent further states this newspaper is duly qualified to publish legal notice or advertisements within the meaning of Sec. Chapter 167, Laws of 1937.



Legal Clerk

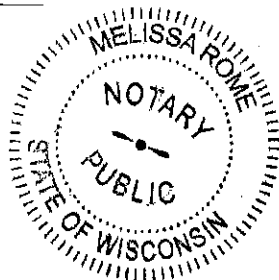
Subscribed and sworn before me this December 2,  
2019:



State of WI, County of Brown  
NOTARY PUBLIC

1-12-2021

My commission expires



Ad # 0003927974

PO #: 63000-0000033690

# of Affidavits : 1

This is not an invoice

The New Mexico Human Services Department (HSD) is announcing its intention to raise certain Medicaid provider payment rates effective January 1, 2020, as a critical next step in fulfilling Governor Michelle Lujan-Grisham's promise to support and strengthen providers at the center of New Mexico's health care safety net. Raising Medicaid payment rates recognizes the state's partnership with providers who deliver care and services to the most vulnerable New Mexicans, and HSD believes that these critical rate adjustments will help to fortify and protect New Mexico's health care delivery network. The proposed rate increases were supported, endorsed and funded by the New Mexico Legislature during the 2019 regular session.

This set of rate adjustments is the third major increase for Medicaid providers in state fiscal year 2020 (FY20). In determining the scope and amounts for these provider rate increases, HSD conducted extensive analysis to determine where additional changes would have an immediate positive impact for Medicaid patients and aid the department in fulfilling high-priority policy initiatives. In total, HSD proposes approximately \$40 million in payment rate increases on January 1, with an impact to the state general fund of approximately \$9 million.

Through this notice, HSD invites members of the public and provider community to comment on the proposed rate increases that are described below. Additional detail may be found on the proposed fee schedules that are posted on the HSD website at [www.hsd.state.nm.us/providers/fee-schedule.s.aspx](http://www.hsd.state.nm.us/providers/fee-schedule.s.aspx). Some of the proposed provider rate increases will require revisions to the New Mexico Medicaid State Plan that HSD must file with the federal Centers for Medicare and Medicaid Services (CMS).

**1. Increase in Payment Rates for the Administration or Insertion of Long-Acting Reversible Contraception (LARC)**

One of Governor Lujan-Grisham's cornerstone policy priorities is to assure and improve women's access to reproductive health services. A foundational component of reproductive healthcare is ensuring that New Mexican women are able to choose and obtain highly effective contraception, including LARC products and devices, from their health care provider. As a way of supporting and assuring adequate compensation to providers who offer this important service to Medicaid-eligible women, HSD proposes to increase payment rates for LARC administration and insertion codes effective January 1, 2020. The proposed codes, rates, and percentage increases are listed below:

**Procedure Code**

11981 – Insertion of LARC implant  
11982 – Removal of LARC implant  
11983 – Removal and reinsertion of LARC implant  
58300 – Insertion of Intrauterine Device (IUD)  
58301 – Removal of IUD

**Current Medicaid Reimbursement**

\$149.34  
\$141.34  
\$256.46  
\$119.07  
\$99.40

**New Medicaid Rate Effective 1/1/20**

\$300.00  
\$282.68  
\$512.92  
\$300.00  
\$198.80

**Percentage Increase**

101%  
100%  
100%  
152%  
100%

The anticipated annual fiscal impact to HSD for this increase is estimated to be \$2.5 million total in state and federal

funds combined, with a state general fund impact of \$250,000. The proposed fee schedule changes to these codes and rates are posted at [www.hsd.state.nm.us/providers/fee-schedules.aspx](http://www.hsd.state.nm.us/providers/fee-schedules.aspx).

**2. Increase in Payment Rates to Certain Hospitals through Managed Care Directed Payments**

**a. Governmental and Investor-Owned Hospitals**

Effective January 1, 2020, HSD proposes to raise reimbursement rates paid under the Centennial Care program to New Mexico's governmental and investor-owned hospitals to ensure that payments are sufficiently adequate to help cover certain business and operating expenses. This increase is the result of analysis performed by HSD as announced in the Department's August 30, 2019, notice to interested parties regarding a Centennial Care directed payment for not-for-profit community hospitals. Approval for the rate increase for these governmental and investor-owned hospital facilities will be requested from CMS through the managed care directed payment authority as outlined at 42 CFR §438.6.

The anticipated annual fiscal impact to HSD for this increase is estimated to be \$7.5 million total in state and federal funds combined, with a state general fund impact of \$2 million. A list of the hospitals that HSD has identified as governmental and investor-owned facilities eligible for this rate increase can be found at [www.hsd.state.nm.us/providers/fee-schedules.aspx](http://www.hsd.state.nm.us/providers/fee-schedules.aspx).

**b. Hospitals Serving a High Share of Native American Medicaid Members**

Effective January 1, 2020, HSD proposes to raise reimbursement rates paid under the Centennial Care program to New Mexico hospitals that serve a high ratio of Native American Medicaid members. This increase is being done to assure improved access to care for Native Americans who are enrolled in the Medicaid program, and to recognize the hospitals that serve the largest share of these members in New Mexico. The list of hospitals that qualify for this rate increase is based on New Mexico facilities with at least 15 percent of total patient volume attributed to Native American members. Approval for the rate increase for these hospital facilities will be requested from CMS through the managed care directed payment authority as outlined at 42 CFR §438.6.

The anticipated annual fiscal impact to HSD for this increase is estimated to be \$5 million total in state and federal funds combined, with a state general fund impact of \$1 million. A list of the hospitals that qualify for this rate increase can be found at [www.hsd.state.nm.us/providers/fee-schedules.aspx](http://www.hsd.state.nm.us/providers/fee-schedules.aspx).

**c. State Teaching Hospital**

Effective January 1, 2020, HSD proposes to implement a set of managed care directed payments for the State Teaching Hospital at the University of New Mexico (UNMH). The UNMH directed payments are designed to provide delivery system and provider payment incentives for workforce development, new behavioral health program development (including a statewide behavioral telehealth network) with emphasis on child and adolescent services, substance abuse disorder treatment, and behavioral health services for justice-involved individuals. In addition, the directed payments will support continuity of care and services to Native Americans in recognition of UNMH's unique commitment to Native American New Mexicans.

Approval for the rate increase for UNMH will be requested from CMS through the managed care directed payment authority as outlined at 42 CFR §438.6. The state general fund portion will be financed by UNMH through an Intergovernmental Transfer (IGT).

**d. Department of Health (DOH) Designated Trauma Hospitals - April 1, 2020**

Effective April 1, 2020, HSD intends to implement a new managed care directed payment to increase rates for hospitals providing trauma care as designated by the New Mexico

DOH. Additional details about this rate increase and qualifying facilities will be provided in a subsequent public notice by HSD. Through this rate adjustment, HSD expects to be able to leverage approximately \$5.5 million additional in federal Medicaid funding to support these facilities.

### **3. Safety-Net Care Pool (SNCP) Hospital Payment Transition**

New Mexico's Section 1115 Demonstration Waiver for the Centennial Care program requires the state to transition its current SNCP program from its existing structure into a new design by January 1, 2020. Effective on that date, the basis for SNCP hospital payments will no longer be based on uncompensated care. SNCP hospitals will receive a rate increase for inpatient and outpatient services, in addition to incentive payments for expanding their scope of services to include obstetrics, telehealth, and behavioral health; and for implementing strategies to expand the medical and behavioral health workforces in their hospitals and communities. Approval for the SNCP hospital payment transition will be requested from CMS through the directed payment authority as outlined at 42 CFR §438.6.

The total value of the SNCP hospital payment transition is approximately \$69 million total in state and federal funds combined, with a state general fund share of approximately \$19 million. These costs are not new to HSD and are already built into the Medicaid base budget as a component of hospital payment rates. Therefore, there is no additional fiscal impact to HSD as a result of these changes. HSD is not proposing any changes to the Hospital Quality Improvement Incentive (HQII) program at this time.

The list of hospitals that are eligible for SNCP payments under this transition is posted at [www.hsd.state.nm.us/provide/rs/fee-schedules.aspx](http://www.hsd.state.nm.us/provide/rs/fee-schedules.aspx).

### **4. Minimum Wage Adjustment for Personal Care Services (PCS)**

Effective January 1, 2020, HSD proposes to raise reimbursement rates for community benefit PCS providers by an average of \$1.06 per hour. This increase is necessary to help mitigate the costs that will be borne by PCS provider agencies as a result of the minimum wage increase that will go into effect on January 1. HSD implemented the first phase of a rate increase for PCS providers as part of the minimum wage adjustment on July 1, 2019. The rate increase for January 1, 2020, represents the second and final rate adjustment for PCS.

The anticipated annual fiscal impact to HSD for the PCS rate increase is \$23 million total in state and federal funds combined, with a state general fund impact of \$5 million.

### **5. Transportation for Justice-Involved Members**

Effective January 1, 2020, HSD proposes to add a new component to the Non-Emergency Medical Transportation (NEMT) benefit for justice-involved Medicaid-eligible members who are transitioning out of prison or jail. NEMT to the pharmacy will be allowed within the first seven days after release when the Medicaid-enrolled member has a current and valid prescription that has not been filled. The member may be transported directly to the pharmacy to obtain prescription medicines, and then transported to a domicile or residence within the same city limits as their originating pick-up point. To assure reimbursement, transportation must be provided by the approved vendor or transportation provider as authorized by the member's Centennial Care managed care organization (MCO). Alternate transportation providers (i.e., taxicab or Uber), rideshare arrangements, or transportation provided by the member's family or personal acquaintances will not be reimbursed by Medicaid.

The anticipated annual fiscal impact to HSD for adding this component to the NEMT benefit is \$2 million total in state and federal funds combined, with a state general fund impact of \$400,000.

### **6. Photoscreening and Vision Screening Rate Equalization**

Effective January 1, 2020, HSD proposes to equalize vision

screening rates for two codes, as proposed below:

**Procedure Code**

99173 – Screening test of visual acuity

99177 – Instrument-based ocular screening

**Current Medicaid Reimbursement**

\$39.93

\$10.00

**New Medicaid Rate Effective 1/1/20**

\$35.00

\$35.00

**Percentage Change**

(12%)

250%

This change is being made to assure parity of reimbursement in vision acuity screening for children by primary care providers (PCPs) and pediatric ophthalmologists. Evidence indicates that instrument-based ocular screening is more effective than other screening methods for children age three and younger. Current New Mexico Medicaid reimbursement for procedure code 99173 exceeds both Medicare and regional averages considerably; therefore, HSD proposes a slight reduction to achieve reasonable reimbursement and rate parity for these two services.

The anticipated annual fiscal impact to HSD for this vision services increase is estimated to be \$400,000 total in state and federal funds combined, with a state general fund impact of \$100,000.

The proposed fee schedule changes to these codes and rates are posted at [www.hsd.state.nm.us/providers/fee-schedules.aspx](http://www.hsd.state.nm.us/providers/fee-schedules.aspx).

**OPPORTUNITY TO VIEW DOCUMENTS AND MAKE COMMENTS**

Health care providers, Medicaid clients, and other interested parties are invited to submit comments on the proposed payment rates and new services.

Proposed fee schedules and lists of facilities may be found on the HSD website at: [www.hsd.state.nm.us/providers/fee-schedules.aspx](http://www.hsd.state.nm.us/providers/fee-schedules.aspx).

Scroll to the bottom of the page, click on "agree"; then click on "submit". On the page that appears, scroll to the section titled "Proposed Fee Schedules or Rates".

If you do not have Internet access, a written copy of these proposed changes may be requested by contacting HSD at (505) 827-1337.

Recorded comments may be left by calling (505) 827-1337. Electronic comments may be submitted to [madrules@state.nm.us](mailto:madrules@state.nm.us). All comments must be received no later than 5:00 p.m. Mountain Time, December 31, 2019. Interested persons may address written comments to:

Human Services Department

ATTN: Medical Assistance Division Public Comments

P.O. Box 2348

Santa Fe, NM 87504-2348

If you are a person with a disability and you require this information in an alternative format, please contact HSD at (505) 827-1337. The Department requests at least 10 working days advance notice to provide requested alternative formats.

All comments will be compiled and made available on the HSD website.

Pub#3927974

Run: Dec. 2, 2019



PROVIDER, INTERESTED PARTIES, STAKEHOLDERS ASSOCIATIONS-MAILED NOTICE



**HUMAN SERVICES**  
DEPARTMENT

Michelle Lujan Grisham, Governor  
David R. Scrase, M.D., Secretary  
Nicole Comeaux, J.D., M.P.H., Director

November 27, 2019

**Interested Parties:**

The New Mexico Human Services Department (HSD) is announcing its intention to raise certain Medicaid provider payment rates effective January 1, 2020, as a critical next step in fulfilling Governor Michelle Lujan-Grisham's promise to support and strengthen providers at the center of New Mexico's health care safety net. Raising Medicaid payment rates recognizes the state's partnership with providers who deliver care and services to the most vulnerable New Mexicans, and HSD believes that these critical rate adjustments will help to fortify and protect New Mexico's health care delivery network. The proposed rate increases were supported, endorsed and funded by the New Mexico Legislature during the 2019 regular session.

This set of rate adjustments is the third major increase for Medicaid providers in state fiscal year 2020 (FY20). In determining the scope and amounts for these provider rate increases, HSD conducted extensive analysis to determine where additional changes would have an immediate positive impact for Medicaid patients and aid the department in fulfilling high-priority policy initiatives. In total, HSD proposes approximately \$40 million in payment rate increases on January 1, with an impact to the state general fund of approximately \$9 million.

Through this notice, HSD invites members of the public and provider community to comment on the proposed rate increases that are described below. Additional detail may be found on the proposed fee schedules that are posted on the HSD website at [www.hsd.state.nm.us/providers/fee-schedules.aspx](http://www.hsd.state.nm.us/providers/fee-schedules.aspx). Some of the proposed provider rate increases will require revisions to the New Mexico Medicaid State Plan that HSD must file with the federal Centers for Medicare and Medicaid Services (CMS).

**1. Increase in Payment Rates for the Administration or Insertion of Long-Acting Reversible Contraception (LARC)**

One of Governor Lujan Grisham's cornerstone policy priorities is to assure and improve women's access to reproductive health services. A foundational component of reproductive healthcare is ensuring that New Mexican women are able to choose and obtain highly effective contraception, including LARC products and devices, from their health care provider. As a way of supporting and assuring adequate compensation to providers who offer this important service to Medicaid-eligible women, HSD proposes to increase payment rates for LARC administration and insertion codes effective January 1, 2020. The proposed codes, rates, and percentage increases are listed below:

<b>Procedure Code</b>	<b>Current Medicaid Reimbursement</b>	<b>New Medicaid Rate Effective 1/1/20</b>	<b>Percentage Increase</b>
11981 – Insertion of LARC implant	\$149.34	\$300.00	101%
11982 – Removal of LARC implant	\$141.34	\$282.68	100%
11983 – Removal and reinsertion of LARC implant	\$256.46	\$512.92	100%
58300 – Insertion of Intrauterine Device (IUD)	\$119.07	\$300.00	152%
58301 – Removal of IUD	\$99.40	\$198.80	100%

The anticipated annual fiscal impact to HSD for this increase is estimated to be \$2.5 million total in state and federal funds combined, with a state general fund impact of \$250,000. The proposed fee schedule changes to these codes and rates are posted at [www.hsd.state.nm.us/providers/fee-schedules.aspx](http://www.hsd.state.nm.us/providers/fee-schedules.aspx).

## **2. Increase in Payment Rates to Certain Hospitals through Managed Care Directed Payments**

### **a. Governmental and Investor-Owned Hospitals**

Effective January 1, 2020, HSD proposes to raise reimbursement rates paid under the Centennial Care program to New Mexico's governmental and investor-owned hospitals to ensure that payments are sufficiently adequate to help cover certain business and operating expenses. This increase is the result of analysis performed by HSD as announced in the Department's August 30, 2019, notice to interested parties regarding a Centennial Care directed payment for not-for-profit community hospitals. Approval for the rate increase for these governmental and investor-owned hospital facilities will be requested from CMS through the managed care directed payment authority as outlined at 42 CFR §438.6.

The anticipated annual fiscal impact to HSD for this increase is estimated to be \$7.5 million total in state and federal funds combined, with a state general fund impact of \$2 million. A list of the hospitals that HSD has identified as governmental and investor-owned facilities eligible for this rate increase can be found at [www.hsd.state.nm.us/providers/fee-schedules.aspx](http://www.hsd.state.nm.us/providers/fee-schedules.aspx).

### **b. Hospitals Serving a High Share of Native American Medicaid Members**

Effective January 1, 2020, HSD proposes to raise reimbursement rates paid under the Centennial Care program to New Mexico hospitals that serve a high ratio of Native American Medicaid members. This increase is being done to assure improved access to care for Native Americans who are enrolled in the Medicaid program, and to recognize the hospitals that serve the largest share of these members in New Mexico. The list of hospitals that qualify for this rate increase is based on New Mexico facilities with at least 15 percent of total patient volume attributed to Native American members. Approval for the rate increase for these hospital facilities will be requested from CMS through the managed care directed payment authority as outlined at 42 CFR §438.6.

The anticipated annual fiscal impact to HSD for this increase is estimated to be \$5 million total in state and federal funds combined, with a state general fund impact of \$1 million. A list of the hospitals that qualify for this rate increase can be found at [www.hsd.state.nm.us/providers/fee-schedules.aspx](http://www.hsd.state.nm.us/providers/fee-schedules.aspx).

### **c. State Teaching Hospital**

Effective January 1, 2020, HSD proposes to implement a set of managed care directed payments for the State Teaching Hospital at the University of New Mexico (UNMH). The UNMH directed payments are designed to provide delivery system and provider payment incentives for workforce development, new behavioral health program development (including a statewide behavioral telehealth network) with emphasis on child and adolescent services, substance abuse disorder treatment, and behavioral health services for justice-involved individuals. In addition, the directed payments will support continuity of care and services to Native Americans in recognition of UNMH's unique commitment to Native American New Mexicans.

Approval for the rate increase for UNMH will be requested from CMS through the managed care directed payment authority as outlined at 42 CFR §438.6. The state general fund portion will be financed by UNMH through an Intergovernmental Transfer (IGT).

### **d. Department of Health (DOH) Designated Trauma Hospitals – April 1, 2020**

Effective April 1, 2020, HSD intends to implement a new managed care directed payment to increase rates for hospitals providing trauma care as designated by the New Mexico DOH. Additional details about this rate increase and qualifying facilities will be provided in a subsequent public notice by HSD.

Through this rate adjustment, HSD expects to be able to leverage approximately \$5.5 million additional in federal Medicaid funding to support these facilities.

### **3. Safety-Net Care Pool (SNCP) Hospital Payment Transition**

New Mexico's Section 1115 Demonstration Waiver for the Centennial Care program requires the state to transition its current SNCP program from its existing structure into a new design by January 1, 2020. Effective on that date, the basis for SNCP hospital payments will no longer be based on uncompensated care. SNCP hospitals will receive a rate increase for inpatient and outpatient services, in addition to incentive payments for expanding their scope of services to include obstetrics, telehealth, and behavioral health; and for implementing strategies to expand the medical and behavioral health workforces in their hospitals and communities. Approval for the SNCP hospital payment transition will be requested from CMS through the directed payment authority as outlined at 42 CFR §438.6.

The total value of the SNCP hospital payment transition is approximately \$69 million total in state and federal funds combined, with a state general fund share of approximately \$19 million. These costs are not new to HSD and are already built into the Medicaid base budget as a component of hospital payment rates. Therefore, there is no additional fiscal impact to HSD as a result of these changes. HSD is not proposing any changes to the Hospital Quality Improvement Incentive (HQII) program at this time.

The list of hospitals that are eligible for SNCP payments under this transition is posted at [www.hsd.state.nm.us/providers/fee-schedules.aspx](http://www.hsd.state.nm.us/providers/fee-schedules.aspx).

### **4. Minimum Wage Adjustment for Personal Care Services (PCS)**

Effective January 1, 2020, HSD proposes to raise reimbursement rates for community benefit PCS providers by an average of \$1.06 per hour. This increase is necessary to help mitigate the costs that will be borne by PCS provider agencies as a result of the minimum wage increase that will go into effect on January 1. HSD implemented the first phase of a rate increase for PCS providers as part of the minimum wage adjustment on July 1, 2019. The rate increase for January 1, 2020, represents the second and final rate adjustment for PCS.

The anticipated annual fiscal impact to HSD for the PCS rate increase is \$23 million total in state and federal funds combined, with a state general fund impact of \$5 million.

### **5. Transportation for Justice-Involved Members**

Effective January 1, 2020, HSD proposes to add a new component to the Non-Emergency Medical Transportation (NEMT) benefit for justice-involved Medicaid-eligible members who are transitioning out of prison or jail. NEMT to the pharmacy will be allowed within the first seven days after release when the Medicaid-enrolled member has a current and valid prescription that has not been filled. The member may be transported directly to the pharmacy to obtain prescription medicines, and then transported to a domicile or residence within the same city limits as their originating pick-up point. To assure reimbursement, transportation must be provided by the approved vendor or transportation provider as authorized by the member's Centennial Care managed care organization (MCO). Alternate transportation providers (i.e., taxicab or Uber), rideshare arrangements, or transportation provided by the member's family or personal acquaintances will not be reimbursed by Medicaid.

The anticipated annual fiscal impact to HSD for adding this component to the NEMT benefit is \$2 million total in state and federal funds combined, with a state general fund impact of \$400,000.

### **6. Photoscreening and Vision Screening Rate Equalization**

Effective January 1, 2020, HSD proposes to equalize vision screening rates for two codes, as proposed below:

Procedure Code	Current Medicaid Reimbursement	New Medicaid Rate Effective 1/1/20	Percentage Change
99173 – Screening test of visual acuity	\$39.93	\$35.00	(12%)
99177 – Instrument-based ocular screening	\$10.00	\$35.00	250%

This change is being made to assure parity of reimbursement in vision acuity screening for children by primary care providers (PCPs) and pediatric ophthalmologists. Evidence indicates that instrument-based ocular screening is more effective than other screening methods for children age three and younger. Current New Mexico Medicaid reimbursement for procedure code 99173 exceeds both Medicare and regional averages considerably; therefore, HSD proposes a slight reduction to achieve reasonable reimbursement and rate parity for these two services.

The anticipated annual fiscal impact to HSD for this vision services increase is estimated to be \$400,000 total in state and federal funds combined, with a state general fund impact of \$100,000.

The proposed fee schedule changes to these codes and rates are posted at [www.hsd.state.nm.us/providers/fee-schedules.aspx](http://www.hsd.state.nm.us/providers/fee-schedules.aspx).

### OPPORTUNITY TO VIEW DOCUMENTS AND MAKE COMMENTS

Health care providers, Medicaid clients, and other interested parties are invited to submit comments on the proposed payment rates and new services.

Proposed fee schedules and lists of facilities may be found on the HSD website at:  
[www.hsd.state.nm.us/providers/fee-schedules.aspx](http://www.hsd.state.nm.us/providers/fee-schedules.aspx).

Scroll to the bottom of the page, click on “agree”; then click on “submit”. On the page that appears, scroll to the section titled “Proposed Fee Schedules or Rates”.

If you do not have Internet access, a written copy of these proposed changes may be requested by contacting HSD at (505) 827-1337.

Recorded comments may be left by calling (505) 827-1337. Electronic comments may be submitted to [madrules@state.nm.us](mailto:madrules@state.nm.us). All comments must be received no later than 5:00 p.m. Mountain Time, December 31, 2019. Interested persons may address written comments to:

Human Services Department  
ATTN: Medical Assistance Division Public Comments  
P.O. Box 2348  
Santa Fe, NM 87504-2348

If you are a person with a disability and you require this information in an alternative format, please contact HSD at (505) 827-1337. The Department requests at least 10 working days advance notice to provide requested alternative formats.

All comments will be compiled and made available on the HSD website.

WRITTEN TRIBAL NOTIFICATION



HUMAN SERVICES  
DEPARTMENT

Michelle Lujan Grisham, Governor  
David R. Scrase, M.D., Secretary  
Nicole Comeaux, J.D., M.P.H., Director

December 2, 2019

**RE: Tribal Notification to Request Advice and Comments Letter 19-26: Notice of Proposed Increases to Medicaid Provider Payment Rates effective January 1, 2020**

Dear Tribal Leadership, Indian Health Service, Tribal Health Providers, and Other Interested Parties:

Seeking advice and comments from New Mexico's Indian Nations, Tribes, Pueblos and their health care providers is an important component of the government-to-government relationship with the State of New Mexico. In accordance with the New Mexico Human Services Department's (HSD's) Tribal Notification to Request Advice and Comments process, this letter is to inform you that HSD, through the Medical Assistance Division (MAD), is accepting written comments until **5:00 p.m. Mountain Time (MT) through December 31, 2019**, regarding proposed increases to Medicaid provider payment rates.

The New Mexico Human Services Department (HSD) is announcing its intention to raise certain Medicaid provider payment rates effective January 1, 2020, as a critical next step in fulfilling Governor Michelle Lujan Grisham's promise to support and strengthen providers at the center of New Mexico's health care safety net. Raising Medicaid payment rates recognizes the state's partnership with providers who deliver care and services to the most vulnerable New Mexicans, and HSD believes that these critical rate adjustments will help to fortify and protect New Mexico's health care delivery network. The proposed rate increases were supported, endorsed and funded by the New Mexico Legislature during the 2019 regular session.

This set of rate adjustments is the third major increase for Medicaid providers in state fiscal year 2020 (FY20). In determining the scope and amounts for these provider rate increases, HSD conducted extensive analysis to determine where additional changes would have an immediate positive impact for Medicaid patients and aid the department in fulfilling high-priority policy initiatives. In total, HSD proposes approximately \$40 million in payment rate increases on January 1, with an impact to the state general fund of approximately \$9 million.

Through this notice, HSD invites members of the public and provider community to comment on the proposed rate increases that are described below. Additional detail may be found on the proposed fee schedules that are posted on the HSD website at [www.hsd.state.nm.us/providers/fee-schedules.aspx](http://www.hsd.state.nm.us/providers/fee-schedules.aspx). Some of the proposed provider rate increases will require revisions to the New Mexico Medicaid State Plan that HSD must file with the federal Centers for Medicare and Medicaid Services (CMS).

**1. Increase in Payment Rates for the Administration or Insertion of Long-Acting Reversible Contraception (LARC)**

One of Governor Lujan Grisham’s cornerstone policy priorities is to assure and improve women’s access to reproductive health services. A foundational component of reproductive healthcare is ensuring that New Mexican women are able to choose and obtain highly effective contraception, including LARC products and devices, from their health care provider. As a way of supporting and assuring adequate compensation to providers who offer this important service to Medicaid-eligible women, HSD proposes to increase payment rates for LARC administration and insertion codes effective January 1, 2020. The proposed codes, rates, and percentage increases are listed below:

<b>Procedure Code</b>	<b>Current Medicaid Reimbursement</b>	<b>New Medicaid Rate Effective 1/1/20</b>	<b>Percentage Increase</b>
11981 – Insertion of LARC implant	\$149.34	\$300.00	101%
11982 – Removal of LARC implant	\$141.34	\$282.68	100%
11983 – Removal and reinsertion of LARC implant	\$256.46	\$512.92	100%
58300 – Insertion of Intrauterine Device (IUD)	\$119.07	\$300.00	152%
58301 – Removal of IUD	\$99.40	\$198.80	100%

The anticipated annual fiscal impact to HSD for this increase is estimated to be \$2.5 million total in state and federal funds combined, with a state general fund impact of \$250,000. The proposed fee schedule changes to these codes and rates are posted at [www.hsd.state.nm.us/providers/fee-schedules.aspx](http://www.hsd.state.nm.us/providers/fee-schedules.aspx).

**2. Increase in Payment Rates to Certain Hospitals through Managed Care Directed Payments**

**a. Governmental and Investor-Owned Hospitals**

Effective January 1, 2020, HSD proposes to raise reimbursement rates paid under the Centennial Care program to New Mexico’s governmental and investor-owned hospitals to ensure that payments are sufficiently adequate to help cover certain business and operating expenses. This increase is the result of analysis performed by HSD as announced in the Department’s August 30, 2019, notice to interested parties regarding a Centennial Care directed payment for not-for-profit community hospitals. Approval for the rate increase for these governmental and investor-owned hospital facilities will be requested from CMS through the managed care directed payment authority as outlined at 42 CFR §438.6.

The anticipated annual fiscal impact to HSD for this increase is estimated to be \$7.5 million total in state and federal funds combined, with a state general fund impact of \$2 million. A list of the hospitals that HSD has identified as governmental and investor-owned facilities eligible for this rate increase can be found at [www.hsd.state.nm.us/providers/fee-schedules.aspx](http://www.hsd.state.nm.us/providers/fee-schedules.aspx).



**b. Hospitals Serving a High Share of Native American Medicaid Members**

Effective January 1, 2020, HSD proposes to raise reimbursement rates paid under the Centennial Care program to New Mexico hospitals that serve a high ratio of Native American Medicaid members. This increase is being done to assure improved access to care for Native Americans who are enrolled in the Medicaid program, and to recognize the hospitals that serve the largest share of these members in New Mexico. The list of hospitals that qualify for this rate increase is based on New Mexico facilities with at least 15 percent of total patient volume attributed to Native American members. Approval for the rate increase for these hospital facilities will be requested from CMS through the managed care directed payment authority as outlined at 42 CFR §438.6.

The anticipated annual fiscal impact to HSD for this increase is estimated to be \$5 million total in state and federal funds combined, with a state general fund impact of \$1 million. A list of the hospitals that qualify for this rate increase can be found at [www.hsd.state.nm.us/providers/fee-schedules.aspx](http://www.hsd.state.nm.us/providers/fee-schedules.aspx).

**c. State Teaching Hospital**

Effective January 1, 2020, HSD proposes to implement a set of managed care directed payments for the State Teaching Hospital at the University of New Mexico (UNMH). The UNMH directed payments are designed to provide delivery system and provider payment incentives for workforce development, new behavioral health program development (including a statewide behavioral telehealth network) with emphasis on child and adolescent services, substance abuse disorder treatment, and behavioral health services for justice-involved individuals. In addition, the directed payments will support continuity of care and services to Native Americans in recognition of UNMH's unique commitment to Native American New Mexicans.

Approval for the rate increase for UNMH will be requested from CMS through the managed care directed payment authority as outlined at 42 CFR §438.6. The state general fund portion will be financed by UNMH through an Intergovernmental Transfer (IGT).

**d. Department of Health (DOH) Designated Trauma Hospitals – April 1, 2020**

Effective April 1, 2020, HSD intends to implement a new managed care directed payment to increase rates for hospitals providing trauma care as designated by the New Mexico DOH. Additional details about this rate increase and qualifying facilities will be provided in a subsequent public notice by HSD.

Through this rate adjustment, HSD expects to be able to leverage approximately \$5.5 million additional in federal Medicaid funding to support these facilities.

**3. Safety-Net Care Pool (SNCP) Hospital Payment Transition**

New Mexico's Section 1115 Demonstration Waiver for the Centennial Care program requires the state to transition its current SNCP program from its existing structure into a new design by January 1, 2020. Effective on that date, the basis for SNCP hospital payments will no longer be based on uncompensated care. SNCP hospitals will receive a rate increase for inpatient and outpatient services, in addition to incentive payments for expanding their scope of services to include obstetrics, telehealth, and behavioral

health; and for implementing strategies to expand the medical and behavioral health workforces in their hospitals and communities. Approval for the SNCP hospital payment transition will be requested from CMS through the directed payment authority as outlined at 42 CFR §438.6.

The total value of the SNCP hospital payment transition is approximately \$69 million total in state and federal funds combined, with a state general fund share of approximately \$19 million. These costs are not new to HSD and are already built into the Medicaid base budget as a component of hospital payment rates. Therefore, there is no additional fiscal impact to HSD as a result of these changes. HSD is not proposing any changes to the Hospital Quality Improvement Incentive (HQII) program at this time.

The list of hospitals that are eligible for SNCP payments under this transition is posted at [www.hsd.state.nm.us/providers/fee-schedules.aspx](http://www.hsd.state.nm.us/providers/fee-schedules.aspx).

#### **4. Minimum Wage Adjustment for Personal Care Services (PCS)**

Effective January 1, 2020, HSD proposes to raise reimbursement rates for community benefit PCS providers by an average of \$1.06 per hour. This increase is necessary to help mitigate the costs that will be borne by PCS provider agencies as a result of the minimum wage increase that will go into effect on January 1. HSD implemented the first phase of a rate increase for PCS providers as part of the minimum wage adjustment on July 1, 2019. The rate increase for January 1, 2020, represents the second and final rate adjustment for PCS.

The anticipated annual fiscal impact to HSD for the PCS rate increase is \$23 million total in state and federal funds combined, with a state general fund impact of \$5 million.

#### **5. Transportation for Justice-Involved Members**

Effective January 1, 2020, HSD proposes to add a new component to the Non-Emergency Medical Transportation (NEMT) benefit for justice-involved Medicaid-eligible members who are transitioning out of prison or jail. NEMT to the pharmacy will be allowed within the first seven days after release when the Medicaid-enrolled member has a current and valid prescription that has not been filled. The member may be transported directly to the pharmacy to obtain prescription medicines, and then transported to a domicile or residence within the same city limits as their originating pick-up point. To assure reimbursement, transportation must be provided by the approved vendor or transportation provider as authorized by the member's Centennial Care managed care organization (MCO). Alternate transportation providers (i.e., taxicab or Uber), rideshare arrangements, or transportation provided by the member's family or personal acquaintances will not be reimbursed by Medicaid.

The anticipated annual fiscal impact to HSD for adding this component to the NEMT benefit is \$2 million total in state and federal funds combined, with a state general fund impact of \$400,000.

#### **6. Photoscreening and Vision Screening Rate Equalization**

Effective January 1, 2020, HSD proposes to equalize vision screening rates for two codes, as proposed below:

Procedure Code	Current Medicaid Reimbursement	New Medicaid Rate Effective 1/1/20	Percentage Increase
99173 – Screening test of visual acuity	\$39.93	\$35.00	(12%)
99177 – Instrument-based ocular screening	\$10.00	\$35.00	250%

This change is being made to assure parity of reimbursement in vision acuity screening for children by primary care providers (PCPs) and pediatric ophthalmologists. Evidence indicates that instrument-based ocular screening is more effective than other screening methods for children age three and younger. Current New Mexico Medicaid reimbursement for procedure code 99173 exceeds both Medicare and regional averages considerably; therefore, HSD proposes a slight reduction to achieve reasonable reimbursement and rate parity for these two services.

The anticipated annual fiscal impact to HSD for this vision services increase is estimated to be \$400,000 total in state and federal funds combined, with a state general fund impact of \$100,000.

The proposed fee schedule changes to these codes and rates are posted at [www.hsd.state.nm.us/providers/fee-schedules.aspx](http://www.hsd.state.nm.us/providers/fee-schedules.aspx).

### **Tribal Impact**

The reimbursement changes that are outlined in this letter do not address rates paid to IHS or other tribal health care providers on an OMB or encounter basis; however, they have been developed as a strategy to increase health care access for Medicaid patients through higher reimbursement to providers statewide. These changes in payment are intended to support and bolster the Medicaid health care delivery network, particularly in rural New Mexico. HSD expects these reimbursement rate increases to have an overall positive impact on tribal Medicaid members.

### **Tribal Advice and Comments**

Tribes and tribal health care providers may view the proposed fee schedules on the HSD website at <https://www.hsd.state.nm.us/providers/fee-schedules.aspx>.

### **Important Dates**

**Written comments must be submitted by 5:00 p.m. Mountain Time (MT) on December 31, 2019.** Please send your comments to the MAD Native American Liaison, Theresa Belanger, at (505) 827-3122 or by email to [Theresa.Belanger@state.nm.us](mailto:Theresa.Belanger@state.nm.us). All written comments received will be posted on the HSD website at: <http://www.hsd.state.nm.us/providers/written-tribal-consultations.aspx> along with this notification letter. The public posting will include the name and any contact information provided by the commenter.

Sincerely,



Nicole Comeaux, J.D., M.P.H.  
State Medicaid Director

COMMENTS RECEIVED

Comment: Five commenters expressed support for the increased reimbursement rates for Long-Acting Reversible Contraception (LARC).

**Department Response:** The Department thanks the commenters for their support.

STANDARD FUNDING QUESTIONS

## Standard Funding Questions: 20-0002 LARC Reimbursement

The following questions are being asked and should be answered in relation to all payments made to all providers reimbursed pursuant to a methodology described in Attachment 4.19-B of this SPA. For SPAs that provide for changes to payments for clinic or outpatient hospital services or for enhanced or supplemental payments to physician or other practitioners, the questions must be answered for all payments made under the state plan for such service.

1. Section 1903(a)(1) provides that Federal matching funds are only available for expenditures made by States for services under the approved State plan. Do providers receive and retain the total Medicaid expenditures claimed by the State (includes normal per diem, supplemental, enhanced payments, other) or is any portion of the payments returned to the State, local governmental entity, or any other intermediary organization? If providers are required to return any portion of payments, please provide a full description of the repayment process. Include in your response a full description of the methodology for the return of any of the payments, a complete listing of providers that return a portion of their payments, the amount or percentage of payments that are returned and the disposition and use of the funds once they are returned to the State (i.e., general fund, medical services account, etc.)

**STATE RESPONSE: Providers are not required to return any portion of payments for these services.**

2. Section 1902(a)(2) provides that the lack of adequate funds from local sources will not result in lowering the amount, duration, scope, or quality of care and services available under the plan. Please describe how the state share of each type of Medicaid payment (normal per diem, supplemental, enhanced, other) is funded. Please describe whether the state share is from appropriations from the legislature to the Medicaid agency, through intergovernmental transfer agreements (IGTs), certified public expenditures (CPEs), provider taxes, or any other mechanism used by the state to provide state share. Note that, if the appropriation is not to the Medicaid agency, the source of the state share would necessarily be derived through either through an IGT or CPE. In this case, please identify the agency to which the funds are appropriated. Please provide an estimate of total expenditure and State share amounts for each type of Medicaid payment. If any of the non-federal share is being provided using IGTs or CPEs, please fully describe the matching arrangement including when the state agency receives the transferred amounts from the local governmental entity transferring the funds. If CPEs are used, please describe the methodology used by the state to verify that the total expenditures being certified are eligible for Federal matching funds in accordance with 42 CFR 433.51(b). For any payment funded by CPEs or IGTs, please provide the following:
  - (i) a complete list of the names of entities transferring or certifying funds;
  - (ii) the operational nature of the entity (state, county, city, other);



- (iii) the total amounts transferred or certified by each entity;
- (iv) clarify whether the certifying or transferring entity has general taxing authority; and,
- (v) whether the certifying or transferring entity received appropriations (identify level of appropriations).

**STATE RESPONSE:** These services are paid using appropriations from the state legislature.

3. Section 1902(a)(30) requires that payments for services be consistent with efficiency, economy, and quality of care. Section 1903(a)(1) provides for Federal financial participation to States for expenditures for services under an approved State plan. If supplemental or enhanced payments are made, please provide the total amount for each type of supplemental or enhanced payment made to each provider type.

**STATE RESPONSE:** No supplemental or enhanced payments are made.

4. For clinic or outpatient hospital services please provide a detailed description of the methodology used by the state to estimate the upper payment limit (UPL) for each class of providers (State owned or operated, non-state government owned or operated, and privately owned or operated). Please provide a current (i.e., applicable to the current rate year) UPL demonstration.

**STATE RESPONSE:** This set of services does not apply to any provider subject to the UPL calculations.

5. Does any governmental provider receive payments that in the aggregate (normal per diem, supplemental, enhanced, other) exceed their reasonable costs of providing services? If payments exceed the cost of services, do you recoup the excess and return the Federal share of the excess to CMS on the quarterly expenditure report?

**STATE RESPONSE:** If governmental providers were to receive payments that exceed their reasonable cost of providing services, the excess payment would be recovered and the federal share of the excess would be reported and returned to CMS.

FEE SCHEDULE

**New Mexico Medicaid  
Proposed Fee Schedule Changes  
Effective Date January 1, 2020**

**Proposed Changes to Long-Acting Reversible Contraception (LARC) Administration Rates**

Procedure Code	Current Medicaid Reimbursement	New Medicaid Rate Effective 1/1/20	Percentage Increase
11981 – Insertion of LARC implant	\$149.34	\$300.00	101%
11982 – Removal of LARC implant	\$141.34	\$282.68	100%
11983 – Removal and reinsertion of LARC implant	\$256.46	\$512.92	100%
58300 – Insertion of Intrauterine Device (IUD)	\$119.07	\$300.00	152%
58301 – Removal of IUD	\$99.40	\$198.80	100%

**Proposed Changes to Vision Acuity Screening Rates**

Procedure Code	Current Medicaid Reimbursement	New Medicaid Rate Effective 1/1/20	Percentage Change
99173 – Screening test of visual acuity	\$39.93	\$35.00	(12%)
99177 – Instrument-based ocular screening	\$10.00	\$35.00	250%