

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM

STATE: NEW MEXICO

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - OTHER
TYPES OF CARE

Item X. **f. e-** Payment of Targeted Case Management Services for adult individuals who have been abused, neglected or exploited.

The Medicaid client case management unit rate is determined by dividing the adjusted field services budget by the total Medicaid client case management eligibles. Because field service personnel perform non case management services and they service non Medicaid clients, the total field service budget is adjusted to exclude all field service related costs not related to case management activities. It is further adjusted to exclude non Medicaid eligible case management clients. A random sampling of the field workers time is performed to assist in computing the amount to adjust. This unit rate is reviewed every year and adjustments made as necessary to reflect any over or under payments from the prior year, and is performed within three months after the closing of the subject year.

The Department used a case management rate methodology developed and applied by the Children, Youth and Families Department (CYFD) to determine the actual costs to providers. Allowable arc salaries plus fringe benefits, costs for supervision, costs for indirect administration. AJee for service cost was determined which will be billed using a monthly unit rate. Claims arc prepared by CYFD and transmitted to the Human Services Department on a monthly basis.

Reimbursement for case management services is consistent with the requirements of Section 1902 (a) (30) of the Act and 42 CFR 447.200 which stipulates that payments for services must be consistent with efficiency, economy, and quality of care. It was also determined that the rates are in conformance with OMB Circular A-87.

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- Item X. g. Payment of Targeted Case Management Services for eligible justice-involved juveniles up to age 21 and former foster care youth ages 18 to 26, in accordance with Section 5121 of the Consolidated Appropriations Act, 2023 (CAA).

Development of Fee Schedule:

To establish a fee schedule amount, the Department initially used cost studies developed by a consulting firm to determine the average actual costs to providers to perform case management services. Allowable costs included salaries plus fringe benefits, costs for supervision, costs for direct operating expenses, facility related costs, and staff costs for indirect administration. To assure salaries were reasonable, allowed costs for salaries for case managers were based on that of a state social worker adjusted for two years tenure at 4% per year and caseloads were based on a 1:30 staff/consumer ratio.

Using these factors, an amount was determined that was further evaluated for reasonableness considering prevailing charges and the existing fee schedule for services similar to case management responsibilities with regards to complexity, time, and level of responsibility. Specifically, the Department (1) examined rates being charged by providers who were already rendering services to other agencies and payers; and, (2) evaluated the reasonableness of the rates by comparing the complexity of the task and the necessary training and experience of staff who carry out the task with payment levels for comparable tasks. The reasonableness of the fee was also verified by comparing the fee to the case management fees paid by several other states' Medicaid programs for similar services.

Reimbursement for case management services is consistent with the requirements of Section 1902(a)(30) of the Act and 42 CFR 447.200 which stipulate that payments for services must be consistent with efficiency, economy, and quality of care. It was also determined the rates are in conformance with OMB Circular A-87.

Targeted Case Management is reimbursed according to a fee schedule. All rates and any updates or periodic adjustments are published on the New Mexico Medicaid website. The level of the fee is evaluated annually. In all cases, there is no differentiation between public and private providers with regards to reimbursement for the same service.