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TITLE 8 SOCIAL SERVICES
CHAPTER 310 HEALTH CARE PROFESSIONAL SERVICES
PART 3 RURAL HEALTH CLINIC SERVICES

8.310.3.1 ISSUING AGENCY: New Mexico Human Services Department.
[2/1/95; 8.310.3.1 NMAC - Rn, 8 NMAC 4.MAD.000.1, 3/1/12]

8.310.3.2 SCOPE: The rule applies to the general public.
[2/1/95; 8.310.3.2 NMAC - Rn, 8 NMAC 4.MAD.000.2, 3/1/12]

8.310.3.3 STATUTORY AUTHORITY: The New Mexico medicaid program is administered pursuant to regulations promulgated by the federal department of health and human services under Title XIX of the Social Security Act, as amended and by the state human services department pursuant to state statute. See Sections 27-2-12 et seq. NMSA 1978 (Repl. Pamp. 1991).
[2/1/95; 8.310.3.3 NMAC - Rn, 8 NMAC 4.MAD.000.3, 3/1/12]

8.310.3.4 DURATION: Permanent
[2/1/95; 8.310.3.4 NMAC - Rn, 8 NMAC 4.MAD.000.4, 3/1/12]

8.310.3.5 EFFECTIVE DATE: February 1, 1995
[2/1/95; 8.310.3.5 NMAC - Rn, 8 NMAC 4.MAD.000.5, 3/1/12]

8.310.3.6 OBJECTIVE: The objective of these regulations is to provide policies for the service portion of the New Mexico medicaid program. These policies describe eligible providers, covered services, noncovered services, utilization review, and provider reimbursement.
[2/1/95; 8.310.3.6 NMAC - Rn, 8 NMAC 4.MAD.000.6, 3/1/12]

8.310.3.7 DEFINITIONS: [RESERVED]

8.310.3.8 MISSION STATEMENT: The mission of the New Mexico medical assistance division (MAD) is to maximize the health status of medicaid-eligible individuals by furnishing payment for quality health services at levels comparable to private health plans.
[2/1/95; 8.310.3.8 NMAC - Rn, 8 NMAC 4.MAD.002, 3/1/12]

8.310.3.9 RURAL HEALTH CLINIC SERVICES: The New Mexico medicaid program (medicaid) pays for medically necessary health services furnished to eligible recipients. To help rural New Mexico recipients receive necessary services, the New Mexico medical assistance division (MAD) pays for covered medicaid services provided in rural health clinics [42 CFR Section 440.20]. This part describes eligible providers, covered services, service limitations, and general reimbursement methodology.
[2/1/95; 8.310.3.9 NMAC - Rn, 8 NMAC 4.MAD.712, 3/1/12]

8.310.3.10 ELIGIBLE PROVIDERS:

A. Upon approval of New Mexico medical assistance program provider participation agreements by MAD, the following providers are eligible to be reimbursed for furnishing services as rural health clinics:

(1) clinics certified as non-hospital based rural health clinics by the health care financing administration (HCFA) following a survey and recommendation from the licensing and certification bureau of the New Mexico department of health (DOH); or

(2) clinics which are integral parts of institutional providers, such as hospitals, skilled nursing facilities or home health agencies, that have been certified as hospital-based rural health clinics by the licensing and certification bureau of the DOH.

B. Once enrolled, providers receive a packet of information, including medicaid program policies, billing instructions, utilization review instructions, and other pertinent material from MAD. Providers are responsible for ensuring that they have received these materials and for updating them as new materials are received from MAD.

[2/1/95; 8.310.3.10 NMAC - Rn, 8 NMAC 4.MAD.712.1, 3/1/12]

8.310.3.11 PROVIDER RESPONSIBILITIES: Providers who furnish services to medicaid recipients must comply with all specified medicaid participation requirements. See 8.302.1 NMAC, *General Provider Policies*. Providers must verify that individuals are eligible for medicaid at the time services are furnished and determine if medicaid recipients have other health insurance. Providers must maintain records which are sufficient to fully disclose the extent and nature of the services provided to recipients. See 8.302.1 NMAC, *General Provider Policies*.

[2/1/95; 8.310.3.11 NMAC - Rn, 8 NMAC 4.MAD.712.2, 3/1/12]

8.310.3.12 COVERED SERVICES AND SERVICE LIMITATIONS: All services provided by the clinic must be furnished in accordance with applicable federal, state, and local laws and regulations and must be furnished within the limitations applicable to medicaid covered benefits.

A. The following are covered services:

- (1) medically necessary diagnostic and therapeutic services, supplies, and treatment of medical conditions, including medically necessary family planning services; see Section MAD-762, *Reproductive Health Services*;
- (2) laboratory and diagnostic imaging services for diagnosis and treatment; and
- (3) surgical procedures, emergency room physician services, and inpatient hospital visits furnished at a different facility when performed by a physician under contract to a rural health clinic.

B. **Visiting nurse services:** Medicaid covers visiting nurse services through a rural health clinic if the following criteria are met [42 CFR Section 440.20(b)(4)]:

- (1) the rural health clinic is located in an area in which there is a shortage of home health agencies, as determined by the secretary of the federal department of health and human services; the rural health clinic does not need separate or additional home health agency certification to furnish visiting nurse services;
- (2) the services are furnished to homebound recipients;
- (3) the services are furnished by a registered nurse, licensed practical nurse, or licensed vocational nurse who is employed by, or receives compensation for the services from the clinic;
- (4) the services are furnished under a written plan of treatment that is:
 - (a) established and reviewed at least every sixty (60) days by supervising physicians at the rural health clinics;
 - (b) established by certified nurse practitioners, certified physician assistants, certified nurse midwives, licensed nurse midwives, or specialized nurse practitioners and reviewed at least every sixty (60) days by supervising physicians; and
 - (c) signed by nurse practitioners, physician assistants, nurse midwives, specialized nurse practitioners, or supervisory physicians of the clinic;

(5) prior approval for nursing services must be obtained from the MAD utilization review contractor.

C. **Primary care network restrictions:** All rural health clinics are subject to the primary care network restrictions. See Section MAD-603, Primary Care Network.

[2/1/95; 8.310.3.12 NMAC - Rn, 8 NMAC 4.MAD.712.3, 3/1/12]

8.310.3.13 NON-CORE MEDICAL SERVICES: Core medical services, as defined in the Rural Health Clinic Act, performed at rural health clinics are included in the encounter rate for purposes of medicaid reimbursement. The following non-core services may be provided in rural clinics, however, reimbursement for these services is not included in the encounter rate:

- A. optometric services, including vision examinations and eyeglasses dispensing;
- B. hearing aid dispensing and related evaluations;
- C. psychological services;
- D. rural health drug services; and

(1) pharmacy services are covered by medicaid if the rural health clinic obtains a separate pharmacy provider number; a separate New Mexico medical assistance program provider participation application must be submitted for pharmacy services and be approved by MAD;

- (2) pharmacy dispensing services must be billed with the separate pharmacy provider number;
- (3) the rural health clinic pharmacy must be licensed by the state pharmacy board; see 8.324.4

NMAC, *Pharmacy Services*.

E. **Rural health dental services:**

(1) Certified rural health clinics may participate as rural health dental providers if they obtain a separate dental provider numbers. A separate New Mexico medical assistance program provider participation application must be submitted by a rural health center dental provider and be approved by MAD.

(2) Dental services must be billed under the separate dental provider number, not the rural health clinic provider number. See 8.310.7 NMAC, *Dental Services*.
[2/1/95; 8.310.3.13 NMAC - Rn, 8 NMAC 4.MAD.712.4, 3/1/12]

8.310.3.14 NONCOVERED SERVICES: Rural health clinic services are subject to the same limitations and coverage restrictions which exist for other medicaid services. See 8.301.3 NMAC, *General Noncovered Services*.

[2/1/95; 8.310.3.14 NMAC - Rn, 8 NMAC 4.MAD.712.5, 3/1/12]

8.310.3.15 PRIOR APPROVAL AND UTILIZATION REVIEW: All medicaid services are subject to utilization review for medical necessity and program compliance. Reviews may be performed before services are furnished, after services are furnished and before payment is made, or after payment is made. See 8.302.5 NMAC, *Prior Authorization and Utilization Review*. Once enrolled, providers receive instructions and documentation forms necessary for prior approval and claims processing.

A. **Prior approval:** Certain procedures or services may require prior approval from MAD or its designee. Services for which prior approval was obtained remain subject to utilization review at any point in the payment process.

B. **Eligibility determination:** Prior approval of services does not guarantee that individuals are eligible for medicaid. Providers must verify that individuals are eligible for medicaid at the time services are furnished and determine if medicaid recipients have other health insurance.

C. **Reconsideration:** Providers who disagree with prior approval request denials or other review decisions can request a re-review and a reconsideration. See Section MAD-953, *Reconsideration of Utilization Review Decisions*.

[2/1/95; 8.310.3.15 NMAC - Rn, 8 NMAC 4.MAD.712.6, 3/1/12]

8.310.3.16 REIMBURSEMENT: Rural health clinics must submit claims for reimbursement on the UB-92 claim form or its successor. See 8.302.2 NMAC, *Billing for Medicaid Services*. Once enrolled, providers receive instructions on documentation, billing, and claims processing.

A. **Reimbursement for non-hospital based rural health clinics:** Interim reimbursement is made at an encounter rate established for the clinic by the medicare intermediary.

(1) An “encounter” means a face-to-face meeting between a recipient and any health professional whose services are reimbursed as a covered rural health clinic service.

(2) A final cost settlement based on the audit data is made in accordance with applicable medicare regulations following the medicare cost settlement.

(3) Multiple encounters with the same or different health professional(s) that take place on the same date at a single location are considered a single encounter.

(a) Exceptions exist for cases in which the recipient suffers illness or injury requiring additional diagnosis or treatment on the same day, after the first encounter.

(b) All medical, surgical, diagnostic imaging, supplies, and clinical laboratory services furnished during the encounter are considered reimbursed within the encounter rate.

B. **Reimbursement for non-core services:** Reimbursement to rural health clinics for drug services, dental services, vision services, hearing services, psychiatric or psychological services, and other non-core medical services is made according to the regulations applicable to each of these specific program areas. These services are not reimbursed on a reasonable cost basis, but instead are reimbursed as described in the applicable service sections.

C. **Reimbursement for hospital based rural health clinics:** Interim reimbursement to hospital, or other facility, based rural health clinics is made at the percentage determined by MAD. Adjustments and fiscal year reconciliations are made by MAD.

[2/1/95; 8.310.3.16 NMAC - Rn, 8 NMAC 4.MAD.712.7, 3/1/12]

HISTORY OF 8.310.3 NMAC:

Pre-NMAC History: The material in this part was derived from that previously filed with the State Records Center: ISD Rule 310.1800, Rural Health Clinic Services, filed 2/18/80.
ISD-Rule 310.1800, Rural Health Clinic Services, filed 2/24/86.

MAD Rule 310.18, Rural Health Clinic Services, filed 4/27/88.
MAD Rule 310.18, Rural Health Clinic Services, filed 4/21/92.

History of Repealed Material: [RESERVED]