




Michelle Lujan Grisham, Governor
Kari Armijo, Cabinet Secretary
Dana Flannery, Medicaid Director

Letter of Direction #115

Date: 03/20/2024

To: Centennial Care 2.0 Managed Care Organizations

From: Dana Flannery, Director, Medical Assistance Division 

Subject: Updates to Coverage of Prosthetic and Custom Orthotic Devices

Title: Updated Coverage for Prosthetic and Custom Orthotic Devices

The New Mexico Human Services Department, Medical Assistance Division (HSD/MAD) is issuing this Letter of Direction (LOD) to Managed Care Organizations (MCO) for the purposes of updating coverage and reimbursement for Prosthetic and Custom Orthotic Devices as passed in the 2023 Legislation House Bill 0131 (HB131) effective January 1, 2024.

HSD is updating the following coverage for Prosthetic Devices as follows in HB131.

1. Prosthetic Devices and Custom Orthotic Devices:

- All prosthetic devices will continue to require prior approval except for prosthetic limbs attached immediately following surgery for traumatic injuries while the recipient is a hospital inpatient.
- Medically necessary prosthetics or custom orthotic devices will be covered to meet special physical needs for Medicaid eligible recipients for treatment of an illness, injury, or to improve the functioning of a specific body part. Covered services include formulation, fabrication, repair, and replacement that are necessary for physical functioning, including running, bicycling, and swimming.
- Replacement of orthotic or prosthetic devices are covered on the basis of a change in the patient's need, a change in the condition of the device or a piece of the device, or because repairs are needed that would cost more than 60 percent of the cost of a replacement device or part of a device.

2. Claims:

- The MCO's will allow reimbursement to providers who have met the requirements listed above to Medicaid eligible individuals within dates of service January 1, 2024.

This LOD will be sunset with the inclusion in NMAC 8.324.5 Vision Appliances, Hearing Appliances, Durable Medical Equipment, Oxygen, Medical Supplies, Prosthetics and Orthotics and upon completion of the Centennial Care Program on June 30, 2024.