



HEALTH CARE
AUTHORITY

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Letter of Direction #33

Date: November 21, 2024
To: Turquoise Care 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 Health Care Authority, Medical Assistance Division (HCA/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). This LOD is effective July 1, 2024.

HCA 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 July 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.