

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

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**A. Other Practitioners Services**

1. Behavioral health professional services are reimbursed on a fee schedule basis applicable to psychologists, counselors, therapists, licensed alcohol and drug abuse counselors, behavioral health agencies, licensed independent social workers and psychiatrist clinical nurse specialists.

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, ~~were~~ set as of ~~July 1, 2023~~ January 1, 2025, ~~and are~~ is effective for services provided on or after that date. All rates and any updates or periodic adjustments to the fee schedule are published on the ~~agency's New Mexico Medicaid website. for the New Mexico Human Services Department Medical Assistance Division, Providers, Fee for Service, under Fee Schedules, at: <https://www.hsd.state.nm.us/providers/fee-schedules/>~~. Notice of changes will be made as required by 42 CFR 447.205.

Non-independent behavioral health practitioners who are required by state law to be supervised are not paid directly for their services. Rather, payment is made to the supervising practitioner, or the appropriate group, licensed treatment and diagnostic center or agency to which the behavioral health worker belongs.

2. Independently practicing certified Nurse Practitioners and Clinical Nurse Specialists are reimbursed at ~~100%~~ 90% of the physician fee schedule as described in Item I. A of Attachment 4.19 B, including preventative services for alternative benefit plan recipients.

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 ~~July 1, 2023~~ January 1, 2025, ~~and is~~ effective for services provided on or after that date. All rates and any updates or periodic adjustments to the fee schedule are published on the ~~agency's website for the New Mexico Medicaid website. Human Services Department, Medical Assistance Division, Providers, Fee for Service, under Fee Schedules, at: <https://www.hsd.state.nm.us/providers/fee-schedules/>~~. Notice of changes to rates will be made as required by 42 CFR 447.205.

3. Certified nurse anesthetists and anesthesiology assistants are reimbursed a rate per anesthesia unit for the procedure and for units of time medically directed and non-medically directed services.

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 ~~July 1, 2023~~ January 1, 2025, ~~and are~~ is effective for services provided on or after that date. All rates and any updates or periodic adjustments to the fee schedule are published on the ~~agency's website for the New Mexico Medicaid website. Human Services Department, Medical Assistance Division, Providers, Fee for Service, under Fee Schedules, at: <https://www.hsd.state.nm.us/providers/fee-schedules/>~~. Notice of changes to rates will be made as required by 42 CFR 447.205.

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**D. Physical Therapy, Occupational Therapy and Services for Individuals with Speech, Hearing, and Language Disorders**

1. Physical therapy, occupational therapy, and speech and language pathology services (including audiologist) are reimbursed on a fee schedule basis. Habilitation services for ABP recipients are also reimbursed using this methodology.

The ~~agency's~~ fee schedule ~~rates, were~~ set as of ~~January 1, 2025, July 1, 2023~~ and ~~are~~ is effective for services provided on or after that date. All rates to the fee schedule are published on the New Mexico Medicaid website. ~~Human Services Department website under Providers, Fee for Service, Fee Schedules at: <https://www.hsd.state.nm.us/providers/fee-schedules/>.~~ Notice of changes to rates will be made as required by 42 CFR 447.205.

2. Physical therapy, occupational therapy and speech and language pathology services provided by a therapy assistant are reimbursed on a fee schedule basis. Habilitation services for ABP recipients are also reimbursed using this methodology.

The ~~agency's~~ fee schedule, ~~rates were~~ set as of ~~January 1, 2025, July 1, 2023~~ and ~~are~~ is effective for services provided on or after that date. All rates to the fee schedule are published on the New Mexico Medicaid website. ~~Human Services Department website under Providers, Fee for Service, Fee Schedules at: <https://www.hsd.state.nm.us/providers/fee-schedules/>.~~ Notice of changes to rate will be made as required by 42 CFR 447.205.

**E. Special rehabilitation services (Family Infant Toddler program early intervention services)**

Special rehabilitation services (Family Infant Toddler program early intervention services) are reimbursed on a fee schedule basis.

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 July 1, 2023, and ~~are~~ is effective for services provided on or after that date. All rates are published on the New Mexico Medicaid website at: ~~<https://www.hsd.state.nm.us/providers/fee-schedules/>~~. Notice of changes to rates will be made as required by 42 CFR 447.205.

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e. Outpatient hospital dental services provided to recipients under anesthesia are reimbursed at an outpatient prospective payment rate using Medicare Ambulatory Payment Classification (APC) groups and reimbursement principles at an amount which does not exceed federal upper payment limits. The ~~agency's~~ rates for dental services, ~~were~~ set as of ~~July 1, 2023~~ January 1, 2025, ~~and~~ are effective for dates of service on and after that date. Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers. All rates and any updates or periodic adjustments to the fee schedule are published on the agency's website for the New Medicaid website. ~~Mexico Human Services Department, Medical Assistance Division, Providers, Fee for Service, under Fee Schedules, at: <https://www.hsd.state.nm.us/providers/fee-schedules/>~~ Notice of changes to rates will be made as required by 42 CFR 447.205.

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**VI. Clinical Diagnostic Lab Services**

Laboratory services are covered under the laboratory benefit. Payment for clinical diagnostic laboratory services does not exceed payment levels specified by Section 1903(i) of the Social Security Act which is the Medicare fee schedule on a per test basis.

All rates and any updates or periodic adjustment to the fee schedule are published on the ~~agency's website for the New Mexico Medicaid website. Human Services Department, Medical Assistance Division, Providers, Fee for Service, under Fee Schedules at <https://www.hsd.state.nm.us/providers/fee-schedules/>.~~

The fee schedule is established by the state agency with consideration given to payment practices of Medicare, other third-party payers, comments from providers and appropriate professional societies, typical invoice costs from providers, comparison of fee schedule amounts for similar services and items, and/or the usual charges of the providers for services to non-Medicaid patients.

These fees ~~were~~ set as of ~~January 1, 2025, July 1<sup>st</sup>, 2023 and~~ are effective for services provided on or after that date.

~~All rates and any updates or periodic adjustments to the fee schedule are published on the agency's website for the New Mexico Human Services Department, Medical Assistance Division, Providers, Fee for Service, under Fee Schedules, at: <https://www.hsd.state.nm.us/providers/fee-schedules/>.~~

Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers.

Changes to the fee schedule are made with public notice, following the requirements of 42 CFR 447.205.

**VII. Prescribed dentures, and prosthetic devices; and eyeglasses prescribed by a physician skilled in diseases of the eye or by an optometrist:**

**(1) Dentures**

Dentures are covered under the service benefit if "Prescribed Drugs, Dentures, and Prosthetic Devices; and Eyeglasses Prescribed by a Physician Skilled in Diseases of the Eye or by an Optometrist". Payment for dentures is made at the lesser of the provider's billed charge or the current Medicaid fee schedule.

The Medicaid fee schedule is established by the state agency with consideration given to payment practices of other third-party payers, comments from providers and appropriate professional societies, typical invoice costs from providers, comparison of fee schedule amounts for similar services and items and/or the usual charges of the providers for services to non-Medicaid patients,

The ~~agency's~~ fee schedule, ~~rates were~~ set as of ~~January 1, 2025 July 1, 2023 and~~ are effective for services provided on or after that date. All rates and any updates or periodic adjustments to the fee schedule are published on the ~~New Mexico Medicaid agency's website. for the New Mexico Human Services Department, Medical Assistance Division, Providers, Fee for Service, under Fee Schedules, at: <https://www.hsd.state.nm.us/providers/fee-schedules/>.~~ Notice of changes to rates will be made as required by 42 CFR 447.205.

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~~Department, Medical Assistance Division, Provider Enrollment and Program Policy, Fee for Service, under Fee Schedules, at: <https://www.hsd.state.nm.us/providers/fee-for-service/>~~

~~Except as otherwise noted in this plan, state developed fee schedule rates are the same for both governmental and private providers.~~

~~Changes to the fee schedule are made with public notice, following the requirements of 42 CFR 447.205.~~

(2) Prosthetic and Orthotic Devices

Prosthetic devices and orthotics are covered under the service benefit of “Prescribed Drugs, Dentures, and Prosthetic Devices; and Eyeglasses Prescribed by a Physician Skilled in Diseases of the Eye or by an Optometrist.”

Payment for prosthetic devices is made at the lesser of the provider’s billed charge or the current Medicaid fee schedule.

Payment for orthotics (which are supportive prosthetic devices as described in ~~CFPR~~ 440.120(c)), is made at the lesser of the provider’s billed charge or the current Medicaid fee schedule.

The fee schedule is established by the state agency with consideration given to payment practices of Medicare, other third party payers, comments from providers and appropriate professional societies, typical invoice costs from providers, comparison of fee schedule amounts for similar services and items, and/or the usual charges of the providers for services to non-Medicaid patients.

The ~~fee schedule, were~~ set as of ~~July 1, 2023~~ January 1, 2025, ~~and are~~ is effective for services provided on or after that date.

All rates and any updates or periodic adjustments to the fee schedule are published on the ~~New Mexico Medicaid website. agency’s website for the New Mexico Human Services Department, Medical Assistance Division, Provider Enrollment and Program Policy, Fee for Service, under Fee Schedules, at: <https://www.hsd.state.nm.us/providers/fee-for-service/>~~

Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers.

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Changes to the fee schedule are made with public notice, following the requirements of 42 CFR 447.205.

- (3) Medical Supplies, Oxygen, Durable Medical Equipment, Parenteral and Enteral Nutritional Products Suitable for Use in the Home

Medical Supplies, Oxygen, Durable Medical Equipment, Parenteral and Enteral Nutritional Products are covered under the home health agency benefit for recipient use in their residence. Payment for these items is made at the lesser of the provider's billed charge or the current Medicaid fee schedule.

For items of DME provided in Medicare Competitive Bidding Areas (CBAs) where rates for specific items have been competitively bid under the Medicare program, the rate is set at the lower of the following:

1. The Medicare single payment amount specific to the geographic area where the item is being provided, that are in effect as of January 1 each year, and updated on a quarterly basis (April 1, July 1, October 1) as needed; or
2. The non-rural and rural DMEPOS fee schedule rate.

If there is no competitively bid payment rate for an item of DME in a CBA, reimbursement for DME provided in non-rural areas is set at the Medicare DMEPOS fee schedule rate for New Mexico geographic, non-rural areas that are in effect as of January 1 each year.

For items of DME provided in rural areas, the rate is set at the Medicare DMEPOS fee schedule rate for New Mexico geographic, rural areas, set as of January 1 each year.

For items and services for which there is not a Medicare fee schedule amount, the fee schedule is established by the state agency with consideration given to payment practices of other third party payers, comments from providers and appropriate professional societies, typical invoice costs from providers, comparison of fee schedule amounts for similar services and items, and/or the usual charges of the providers for services to non-Medicaid patients.

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, 2025, July 1<sup>st</sup>, 2023~~ and is effective for services provided on or after that date. All rates and any updates or periodic adjustments to the fee schedule are published on the ~~New Mexico Medicaid website, agency's website for the New Mexico Human Services Department, Medical Assistance Division, Providers, Fee for Service, under Fee Schedules, are published at~~ <https://www.hsd.state.nm.us/providers/fee-for-service/>.

Changes to the fee schedule are made with public notice, following the requirement of 42 CFR 447.205.

When there is no applicable fee schedule, payment is limited to the provider's acquisition invoice cost plus a percentage. For durable medical equipment, medical supplies and nutritional products for which the provider's actual acquisition cost, reflecting all discounts and rebates, is less than \$1,000 dollars, payment is limited to the provider's actual acquisition cost plus 20 percent. For items for which the provider's actual acquisition cost, reflecting all discounts and rebates, is \$1,000 or greater, payment is limited to the provider's actual acquisition cost plus 10 percent. For custom specialized wheelchairs and their customized related accessories, payment is limited to the provider's actual cost plus 15 percent.

- (4) Eyeglasses and vision appliances

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Eyeglasses and vision appliances are covered under the service benefit of “Prescribed Drugs, Dentures, and Prosthetic Devices; and Eyeglasses Prescribed by a Physician Skilled in Diseases of the Eye or by an Optometrist.” Payment for eyeglasses and vision appliances are made at the lesser of the provider’s billed charge or the current Medicaid fee schedule.

The fee schedule is established by the state agency with consideration given to payment practices of Medicare, other third-party payers, comments from providers and appropriate professional societies, typical invoice costs from providers, comparison of fee schedule amounts for similar services and items, and/or the usual charges of the providers for services to non-Medicaid patients.

The fee schedule, set as of January 1, 2025, is effective for services provided on or after that date. All rates and any updates or periodic adjustments to the fee schedule are published on the New Mexico Medicaid website. ~~agency’s website for the New Mexico Human Services Department, Medical Assistance Division, Provider Enrollment and Program Policy, Fee for Service, under Fee Schedules, at:~~ <https://www.hsd.state.nm.us/providers/fee-for-service/>

Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers.

Changes to the fee schedule are made with public notice, following the requirements of 42 CFR 447.205.

Item XII. Transportation

Transportation providers are reimbursed at the lesser of the following:

- a. their usual and customary charge, not to exceed their tariff rates as approved by the state corporation commission; or
- b. the Department fee schedule.

The fee schedule base rate for ground ambulance includes reimbursement for the initial fifteen (15) miles of transport, non-reusable supplies, IV solution, emergency drugs and oxygen.

Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers. The ~~agency's~~ fee schedule, ~~rates was~~ set as of ~~January 1, 2025; July 1, 2023, and~~ is effective for services provided on or after that date. All rates and any updates or periodic adjustments to the fee schedule are published on the ~~New Mexico Medicaid agency's website. for the New Mexico Health Care Authority Human Services Department, Medical Assistance Division, Providers, Fee for Service, under Fee Schedules, at:~~ <https://www.hsd.state.nm.us/providers/fee-schedules/>. Notice of changes to rates will be made as required by 42 CFR 447.205.

Item XIII. Services for EPSDT Participants

a. Services Included in the State Plan

Services included in the state plan are described in Attachment 3.1-A. Payment for these services for treating a condition identified during a screen or partial screen is made using the same methodology described in the corresponding section of the state plan.

b. Services Not Otherwise Included in the State Plan

Payment for services described in Attachment 3.1-A, Item 4.b. (EPSDT) and not otherwise covered under the state plan but reimbursed pursuant to OBRA 1989 provisions which require the state to treat a condition identified using a screen or partial screen, whether or not the service is included in the state plan, is made as follows:

1. The following services are considered to be professional services and are reimbursed on a fee for service basis according to the fee schedule in attachment 4.19-B, I.
  - (a) Therapy by speech-language therapist, physical therapist, or occupational therapist, not covered under the state plan
  - (b) Other rehabilitative services and therapy services not covered under the state plan because they are considered maintenance rather than restorative.

## 7. Psychosocial Rehabilitation

Reimbursement methodology for Psychosocial Rehabilitation services is determined by the setting/service. A multidisciplinary team establishes the level of need for each individual based upon acuity. Services provided are dependent upon the acuity level established. In residential settings, reimbursement is a daily rate based upon the acuity level. For non-residential services, the rate may be either hourly or daily, depending upon the services but does not differentiate by acuity level.

For all psychosocial rehabilitation services, provider cost information was analyzed in detail and total cost of service separated into categories associated with that service. To determine the percentage of total cost of service for each category, a range of percentages was derived from costs obtained from each provider and finally a weighted average applied.

Payment for **Residential Treatment Centers and Group Homes** are paid based upon Medicaid rates established by the State of New Mexico.

Except as otherwise noted in the State Plan, the State-developed rates are the same for both governmental and private providers. The provider rates, set as of January 1, 2025, are effective for these services provided on or after that date. All rates are published on the New Mexico Medicaid website.

The rate development methodology composed of provider cost modeling, through New Mexico provider compensation studies and cost data. Rates from similar State Medicaid programs were considered, as well. The following list outlines the major components of the cost model used in rate development.

- Staffing assumptions and staff wages.
- Employee-related expenses-benefits, employer taxes (e.g. Federal Insurance Contributions Act (FICA), unemployment, and workers compensation).
- Program-related expenses (e.g., supplies).
- Provider overhead expenses.
- Program billable units.

These rates will be developed as the ratio of total annual modeled provider costs to the estimated annual billable units.

~~is based on a resource model that defines the treatment and supervisory needs of the individuals served. This resource model was developed by the state in conjunction with a national consulting firm under contract to the Department. Rate setting decisions were~~

made based upon the results of the consulting firm's reimbursement methodology study presented to the Department in February of 1994. Cost reports will be required from each provider in federal fiscal year 1996 and annually thereafter in order to determine appropriateness of reimbursement rates. The cost reports will be used to adjust provider rates as found necessary beginning in federal fiscal year 1997.

Provider cost information was analyzed in detail and total cost of service was separated into the following ten categories:

- (1) Direct Service. These costs include all salaries, wages and benefits associated with personnel who provide daily face-to-face service to residents. Direct service staffing ratios were determined for each level of recipient for various times of day in each setting. The wage rate was based upon a Psychological Technician II classification in the New Mexico State Personnel System.
- (2) Direct Supervision. Costs include all salaries, wages and benefits associated with personnel whose primary responsibilities are to oversee and coordinate the activities of the direct service staff and residents. A direct supervision wage rate and span of control was determined using a Psychological Counselor III in the State system.

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- (3) Therapy costs include all salaries, wages and benefits associated with personnel whose primary activities include providing face-to-face therapy services. This category only includes costs for therapy provided by personnel on the provider agency payroll. An average caseload for therapists was derived and the wage based upon that of a Clinical Social Worker.
- (4) Admission/Discharge Planning. These costs include salaries, wages and benefits associated with personnel whose sole function is to serve as a liaison between the residential program and social workers, State agencies and other residential/foster care programs. Personnel performing these activities are paid at the Social Worker Range 21 level.
- (5) Clinical support costs include all salaries, wages and benefits associated with personnel whose primary activities serve to support the residential program from a clinical/programmatic perspective as opposed to an administrative perspective. Included are clinical directors, assistant clinical directors, training directors, nurses and persons who perform other types of clinical program

~~support and coordination activities. The wage level used was that of a Psychologist III with varying caseload factors for each level of client.~~

- ~~(6) Education related costs include salaries, wages and benefits for personnel who serve as teachers or teacher's aides in classroom setting for the residents. These costs were then excluded from consideration in the reimbursement rate for non-accredited Residential Treatment Centers and Group Homes.~~
- ~~(7) Non-personnel operating costs include expenses incurred for program related supplies, transportation, and training. These were derived using 8% of total cost for all service types and levels.~~
- ~~(8) Room & Board. This includes rent, depreciation, and utilities related to room and board, plus food, clothing, allowance, etc. Also included are wages, salaries and benefits associated with personnel whose primary activities are to support the room & board of the residents. These costs were then excluded from consideration in the reimbursement rate for Residential Treatment Centers and Group Homes.~~
- ~~(9) General administration costs include non-room and board related depreciation and interest or rent supporting this service, plus salaries, wages and benefits for central office personnel and other non-personnel costs. Also included are medical records, quality assurance and utilization review personnel costs. These are set at 15% of total costs.~~

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- ~~(10) — Consultation related costs include doctors, specialist and nurses who provide services to a residential program on a part-time “contract” or “consultative” basis. Consultation costs are a percentage of total costs which vary according to the setting and level of care provided to the client. Consultation service costs that are not billed directly to the provider, but rather to the State, are not included.~~

Payment for **Treatment Foster Care** and **Behavioral Management** services was derived from a model based on the resources required to meet the standards of the Department. This model was developed by the state in conjunction with a national consulting firm under contract to the Department. Rate setting decisions were made based upon the results of the consulting firm's reimbursement methodology study presented to the Department in May 1994. Rates do not duplicate costs reimbursed through foster care funds authorized by Title IVE of the Social Security Act. Periodic rate studies will be performed to determined appropriateness of

reimbursement rates. The rate studies will be used to adjust provider rates, as found necessary, beginning in federal fiscal year 1997.

**Treatment Foster Care.** Provider cost information was analyzed in detail and total cost of service was separated into the following categories.

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**1. Medication Assisted Treatment (MAT) Reimbursement:**

Reimbursement for dispensing or administering methadone or other narcotic replacement or opioid agonist drug items is **paid in accordance with the New Mexico Medicaid Fee Schedule made at \$13.30**. Included in this rate is the administration or dispensing of the drug item, the cost of methadone, development of a treatment plan and recipient assessment performed within the facility, drug and HIV testing, and counseling as required by 42 CFR part 8, *Certification of Opioid Treatment Programs*. Drug items other than methadone may be billed and reimbursed separately and are paid at the Medicaid fee schedule rate.

The **agency's** fee schedule **rates, were** set as of **September 1, 2012-January 1, 2025, and are is** effective for services provided on or after that date. All rates and any updates or periodic adjustments to the fee schedule are published on the **New Mexico Medicaid agency's** website. **for the New Mexico Human Services Department, Medical Assistance Division at <http://www.hsd.state.nm.us/mad/> under the Fee Schedules section.** Notice of changes to rates will be made as required by 42 CFR 447.205.

The initial medical examination and additional medical services rendered by a practitioner, laboratory services performed at outside laboratories, and counseling services beyond the minimum service required by 42 CFR part 8, are reimburse separately when the services and the provider of the services meet the requirements specified in other sections of the state plan.

#### XI. UPL Payment

Annually and no later than June 1, eligible ICF facilities will receive a lump sum payment based on their available Upper Payment Limit (UPL) room. Payments will be made prior to the completion of the State Fiscal Year and included in the UPL demonstration submitted to CMS annually. The demonstration will utilize cost reports from the proceeding state fiscal year. The total amount of the payments will not exceed three million (\$3,000,000) in total and will only be paid to classes of providers that do not exceed UPL limits. If the UPL gap in the demonstration exceeds the available budget, all eligible providers will receive pro-rata portion of the available funds based on their demonstrated UPL.