



HEALTH CARE
AUTHORITY

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

December 16, 2024

James G. Scott, Director
Division of Program Operations
Medicaid & CHIP Operations Group
Centers for Medicare and Medicaid Services
601 E 12th St., Room 355
Kansas City, MO 64106

Dear Mr. Scott:

Enclosed please find documents related to New Mexico State Plan Amendment (SPA) 24-0009, House Bill 2 (HB2) Rate Increases.

The New Mexico Health Care Authority (HCA) is implementing specific provider reimbursement rate increases as part of Governor Lujan Grisham's focus on health care and as a critical step in strengthening the state's partnership with providers who deliver care and services to Medicaid patients. The proposed rate increases were supported, endorsed and funded by the New Mexico Legislature in HB2 during the 2024 Legislative Session. Raising Medicaid reimbursement rates will help ensure access to high-quality care for Medicaid patients and attract and retain health care providers in New Mexico.

The proposed rate increases include:

- Reimbursement raised to 150% of the established Medicare rate for maternal and child health services, primary care, and behavioral health services; and
- Reimbursement raised up to 100% of the established Medicare rate for other services.
- Implementation of pay parity between physicians and non-physician practitioners.

Where Medicare rates are not available because the service is not covered, the remainder of the HB2 appropriation is disbursed across the fee schedule codes.

The HCA followed a process that included public notification, tribal notification, and web posting. Documentation of these activities is attached.

Please refer to the attachments for the transmittal form and notices.

We appreciate your consideration of this state plan amendment. Should you have any questions on this amendment, please contact Valerie Tapia at: Valerie.Tapia@hca.nm.gov or (505) 257-8420.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Dana Flannery', with a stylized flourish at the end.

Dana Flannery
Medicaid Director

cc: Dana Brown, CMS

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

2. STATE

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT

XIX

XXI

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

5. FEDERAL STATUTE/REGULATION CITATION

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY _____ \$ _____

b. FFY _____ \$ _____

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

9. SUBJECT OF AMENDMENT

10. GOVERNOR'S REVIEW (Check One)

GOVERNOR'S OFFICE REPORTED NO COMMENT
COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:

[Authority Delegated to the Medicaid Director](#)

11. SIGNATURE OF STATE AGENCY OFFICIAL



15. RETURN TO

12. TYPED NAME

13. TITLE

14. DATE SUBMITTED

FOR CMS USE ONLY

16. DATE RECEIVED

17. DATE APPROVED

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL

21. TITLE OF APPROVING OFFICIAL

22. REMARKS

INSTRUCTIONS FOR COMPLETING FORM CMS-179

Use Form CMS-179 to transmit State plan material to the Center for Medicaid & CHIP Services for approval. Submit a separate **typed** transmittal form with each plan/amendment.

Block 1 - Transmittal Number - Enter the State Plan Amendment transmittal number. Assign consecutive numbers on a **calendar year** basis with the first two digits being the two-digit year (e.g., 21-0001, 21-0002, etc.). Because states have different state fiscal years, a calendar year is required for consistency.

Block 2 - State - Enter the two-letter abbreviation code of the State/District/Territory submitting the plan material.

Block 3 - Program Identification - Enter the applicable Title of the Social Security Act (Title XIX Medicaid or Title XXI CHIP).

Block 4 - Proposed Effective Date - Enter the proposed effective date of material. The effective date of a new plan may not be earlier than the first day of the calendar quarter in which an approvable plan is submitted. With respect to expenditures for assistance under such plan, the effective date may not be earlier than the first day on which the plan is in operation on a statewide basis or earlier than the day following publication of notice of changes.

Block 5 - Federal Statute/Regulation Citation - Enter the appropriate statutory/regulatory citation.

Block 6 - Federal Budget Impact - 6(a) - IN WHOLE DOLLARS, NOT IN THOUSANDS, Enter 1st **Federal Fiscal Year** (FFY) impacted by the SPA & estimated Federal share of the cost of the SPA for 1st FFY. The first FFY should be the FFY inclusive of the earliest effective date of any amended payment language; **6 (b)** - Enter 2nd FFY impacted by the SPA & estimated Federal share of the cost for 2nd FFY. In general, the estimates should include any amount not currently approved in the state's plan for assistance.

Block 7 - Page No.(s) of Plan Section or Attachment - Enter the page number(s) of plan material amended and transmitted. If additional space is needed, use bond paper. **New pages** should be included in Block 7, but not in Block 8.

Block 8 - Page No.(s) of the Superseded Plan Section or Attachment (if Applicable) - Enter the page number(s) (including the transmittal number) that is being superseded. If additional space is needed, use bond paper. **Deleted pages** should be included in Block 8, but not in Block 7.

Block 9 - Subject of Amendment - Briefly describe plan material being transmitted.

Block 10 - Governor's Review - Check the appropriate box. See SMM section 13026 A.

Block 11 - Signature of State Agency Official - Authorized State official signs this block.

Block 12 - Typed Name - Type name of State official who signed block 11.

Block 13 - Title - Type title of State official who signed block 11.

Block 14 - Date Submitted - Enter the date that the state transmits plan material to CMCS. Unless the state officially withdraws this SPA and then resubmits it, this date should not be revised. Documentation of version revisions will be maintained in the CMCS administrative record.

Block 15 - Return To - Type the name and address of State official to whom this form should be returned.

Block 16–22 (FOR CMS USE ONLY).

Block 16 - Date Received - Enter the date plan material is received by CMCS. This is the date that the submission is received by CMCS via the subscribed submission process.

Block 17 - Date Approved - Enter the date CMCS approved the plan material.

Block 18 - Effective Date of Approved Material - Enter the date the plan material becomes effective. If more than one effective date, list each provision and its effective date in Block 22 or attach a sheet.

Block 19 - Signature of Approving Official - Approving official signs this block.

Block 20 - Typed Name of Approving Official - Type approving official's name.

Block 21 - Title of Approving Official - Type approving official's title.

Block 22 - Remarks - Use this block to reference and explain agreed to changes and strike-throughs to the original CMS-179 as submitted, a partial approval, more than one effective date, etc. If additional space is needed, use bond paper.

Addition to CMS 179

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT	8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT <i>(If Applicable)</i>
Attachment 4.19 B Page 2-2a	Attachment 4.19 B Page 2-2a (23-0012)
Attachment 4.19 B Page 3	Attachment 4.19 B Page (23-0012)
Attachment 4.19 B Page 3a	Attachment 4.19 B Page 3a (23-0017)
Attachment 4.19 B Page 3b	Attachment 4.19 B Page 3b (23-0012)
Attachment 4.19 B Page 6aaa	Attachment 4.19 B Page 6aaa (23-0012)
Attachment 4.19 B Page 6c-6e	Attachment 4.19 B Page 6c-6e (23-0012)
Attachment 4.19 B Page 7	Attachment 4.19 B Page 7 (23-0012)
Attachment 4.19 B Page 15	Attachment 4.19 B Page 15 (23-0012)
Attachment 4.19 B Page 17-19	Attachment 4.19 B Page 17-19 (92-11)
Attachment 4.19 B Page 23e	Attachment 4.19 B Page 23e (23-06)
Attachment 4.19 D Page 21	New Page

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

Attachment 4.19-B Page 2

The average commercial rates are determined by:

- i. Calculating a commercial payment to charge ratio for all services paid to the eligible providers by commercial insurers using the providers' claims-specific data from the most currently available fiscal year period.
 - ii. Multiplying the Medicaid charges by the commercial payment to charge ratio to establish the estimated commercial payments to be made for these services; and
 - iii. Subtracting interim Medicaid payments already made for these services to establish the supplemental payment amount.
- a. Providers eligible under Part (a) of this section will be paid on an interim claims-specific basis through the Department's claims processing system using the methodology outlined elsewhere in this state plan. The supplemental payment, which represents final payment for services, will be made on a quarterly basis subject to available claims data.

A. Medical and Dental Services

Medical and dental services are reimbursed on a fee schedule basis and include physicians, dentists, radiologists and radiological facilities, licensed treatment and diagnostic centers and family planning clinics, podiatrists, optometrists, certified nurse midwives and certified nurse practitioners working under the direction of a physician.

Preventative services provided to alternative benefit plan recipients not otherwise covered under standard Medicaid benefits are also reimbursed using this methodology including annual preventative care physicals, expanded nutritional and dietary counseling, and expanded skin cancer and tobacco use counseling. Electroconvulsive therapy services provided to alternative benefit plan recipients not otherwise covered under standard Medicaid benefits are paid at the Medicare fee schedule rate.

Services rendered under the supervision of one of the above providers are paid at the fee schedule rate for the supervising provider when the service is performed by one of the following: a dietician; clinical pharmacist; physician assistant; dental hygienist; nurse; certified nurse practitioner; or clinical nurse specialist.

Except as otherwise noted in the state plan, state developed fee schedule rates are the same for both governmental and private providers. 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. Notice changes to rates will be made as required by 42 CFR 447.205.

TN No: 24-0009

Approval Date: _____

Supersedes TN. No. 23-0012

Effective Date: 01/01/2025

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
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Attachment 4.19-B

Page 2a

Except as otherwise noted in the state plan, state developed fee schedule rates are the same for both governmental and private providers. The dental 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. Notice of changes to rate will be made as required by 42 CFR 447.205.

TN No: 24-0009

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Approval Date: _____

Effective Date: 01/01/2025

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
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Attachment 4.19 – B

Page 3

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 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. 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% 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 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. 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 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. Notice of changes to rates will be made as required by 42 CFR 447.205.

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

Attachment 4.19-B

Page 3a

4. **Licensed Midwives (Lay Midwives):** Payments to licensed midwives are reimbursed at 100% of the physician fee schedule as described in Item I. A of Attachment 4.19 B for global delivery codes.

The fee schedule, set as of January 1, 2025, is effective for services provided on or after those dates. All rates and any updates or periodic adjustments to the fee schedule are published on the New Mexico Medicaid website. Notice of changes to rates will be made as required by 42 CFR 447.205. Reimbursement for governmental and non-governmental providers are paid the same, uniform rate unless otherwise noted on the payment pages.

C. Other Services

1. **Ambulatory Surgical Centers Services** – Free standing ambulatory surgical centers are paid at the Medicare fee schedule. For procedures not covered by Medicare, the Department establishes a fee schedule amount equivalent to the amount allowed for procedure of similar complexity.

The fee schedule, set as of July 1, 2023, 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.

2. **Renal Dialysis Facilities** – Renal dialysis facilities are paid at the Medicare fee schedule. For procedures not covered by Medicare, the Department establishes a fee schedule amount equivalent to the amount allowed for procedure of similar complexity.

The fee schedule, set as of July 1, 2023, 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. Notice of changes to rates will be made as required by 42 CFR 447.205.

3. **Licensed Birth Centers** – Licensed birth centers are paid at the Medicaid fee schedule. The agency's 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. Notice of changes to rates will be made as required by 42 CFR 447.205.

TN No: 24-0009

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STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
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-OTHER TYPES OF CARE

Attachment 4.19 – B
Page 3b

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 fee schedule, set as of January 1, 2025, is effective for services provided on or after that date. All rates to the fee schedule are published on the New Mexico Medicaid website. 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 fee schedule, set as of January 1, 2025, is effective for services provided on or after that date. All rates to the fee schedule are published on the New Mexico Medicaid website. 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 fee schedule, set as of July 1, 2023, is effective for services provided on or after that date. All rates are published on the New Mexico Medicaid website. Notice of changes to rates will be made as required by 42 CFR 447.205.

TN No: 24-0004

Approval Date: _____

Supersedes TN. NO. 23-0012

Effective Date: 01/01/2025

Attachment 4.19 B Page 6aaa

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 rates for dental services, set as of January 1, 2025, 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. Notice of changes to rates will be made as required by 42 CFR 447.205.

TN No: 24-0009

Approval Date: _____

Supersedes TN. No. 23-0012

Effective Date: 01/01/2025

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 New Mexico Medicaid website.

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, set as of January 1, 2025, are effective for services provided on or after that date.

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 fee schedule, set as of January 1, 2025, 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 website. Notice of changes to rates will be made as required by 42 CFR 447.205.

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(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 CFR 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.

These 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.

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 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.

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.

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 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. 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.

Attachment 4.19 B

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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 determine 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.

**STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
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METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES

-OTHER TYPES OF CARE

Attachment 4.19-B

Page 23e

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. 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 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. 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.