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TITLE 8 SOCIAL SERVICES
CHAPTER 301 MEDICAID GENERAL BENEFIT DESCRIPTION
PART 5 MEDICAL MANAGEMENT

8.301.5.1 ISSUING AGENCY: New Mexico Human Services Department.
[1-1-95; 8.301.5.1 NMAC – Rn, 8 NMAC 4.MAD.000.1, 7-1-01]

8.301.5.2 SCOPE: The rule applies to the general public.
[1-1-95; 8.301.5.2 NMAC – Rn, 8 NMAC 4.MAD.000.2, 7-1-01]

8.301.5.3 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 NMSA 1978 27-2-12 et. seq. (Repl. Pamp. 1991).
[1-1-95; 8.301.5.3 NMAC – Rn, 8 NMAC 4.MAD.000.3, 7-1-01]

8.301.5.4 DURATION: Permanent [02-01-95].
[1-1-95; 8.301.5.4 NMAC – Rn, 8 NMAC 4.MAD.000.4, 7-1-01]

8.301.5.5 EFFECTIVE DATE: February 1, 1995.
[1-1-95, 2-1-95; 8.301.5.5 NMAC – Rn, 8 NMAC 4.MAD.000.5, 7-1-01]

8.301.5.6 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.
[1-1-95, 2-1-95; 8.301.5.6 NMAC – Rn, 8 NMAC 4.MAD.000.6, 7-1-01]

8.301.5.7 DEFINITIONS: [RESERVED]

8.301.5.8 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; 8.301.5.8 NMAC – Rn, 8 NMAC 4.MAD.002, 7-1-01]

8.301.5.9 MEDICAL MANAGEMENT: The New Mexico Medicaid program (Medicaid) pays for medically necessary medical services furnished to Medicaid recipients. To make sure that recipients receive only necessary services, the New Mexico Medical Assistance Division (MAD) has developed the Medical Management program. The Medical Management program is designed to enhance the receipt of health care to a recipient by assigning a designated provider. This may also reduce the use of unnecessary services by Medicaid recipients in certain instances. See 42 CFR 431.54(e). Medical Management involves the identification of appropriate cases, selection of actual cases, documentation of the health care issue(s) necessitating management, development of assignment recommendations, and evaluation of the effectiveness of the assignments. The Medical Assistance Division (MAD) Medical Director or another physician specifically appointed by MAD determines whether recipients are assigned to the Medical Management Program.
[2-1-95; 8.301.5.9 NMAC – Rn, 8 NMAC 4.MAD.604 & A, 7-1-01]

8.301.5.10 SERVICES EXCLUDED FROM MEDICAL MANAGEMENT: Recipients can receive emergency services and inpatient services without referrals from their designated providers. These services are exempt from Medical Management. Emergency room claims for services provided to any recipient may be reviewed before or after payment. Inappropriate non-emergency use of emergency room services results in denial of payment by Medicaid and liability of the recipient for payment.
[2-1-95; 8.301.5.10 NMAC – Rn, 8 NMAC 4.MAD. 604.1, 7-1-01]

8.301.5.11 IDENTIFICATION OF CANDIDATES: All Medicaid recipients are potential candidates for inclusion in Medical Management, whether enrolled in Salud! or covered under Medicaid fee-for-service.

Recipients are identified as candidates for review by HSD, the MCO, a provider or other appropriate entities. The following situations may indicate a need for Medical Management:

A. Individuals who overutilize medical services;

B. Individuals who are habitually non-compliant and miss appointments, or who frequently seek unauthorized treatment or care; and

C. Individuals who frequently change PCPs or simultaneously utilize multiple pharmacy providers.

D. Individuals who regularly utilize emergency room services for inappropriate, non-emergency care.

[2-1-95; 8.301.5.11 NMAC – Rn, 8 NMAC 4.MAD.604.2 & A, 7-1-01]

8.301.5.12 SELECTION FOR MEDICAL MANAGEMENT: HSD staff analyzes appropriate reports and documentation to decide whether a recipient will be referred to the MAD Medical Director for Medical Management determination. After reviewing HSD staff recommendations and supporting documentation, the MAD Medical Director or another physician designated by MAD determines whether the recipient should be assigned to Medical Management. Once the determination is made by the physician, the assignment of the recipient to Medical Management is implemented by MAD. The assignment is subject to the notice requirements and hearing process described in Section 15 of 8.301.5, RECIPIENT NOTICE and Section 16 of 8.301.5, RECIPIENT HEARINGS.

A. **Notification of Decision:** The HSD staff notifies the recipient, the claims processing contractor, the Income Support Division (ISD), and, if enrolled in Salud!, the MCO, of the Medical Management assignments. Providers are informed that a client is in Medical Management at the time the provider verifies the client's eligibility for the date the services are provided. Recipients placed in Medical Management receive Medicaid identification cards which indicate "Medical Management" and the names of their "designated providers".

B. **Assignments for Recipients Covered by Third Party Insurers:** Recipients who are eligible for Medicare and Medicaid services or recipients who have insurance can be assigned to a designated provider for services covered exclusively by Medicaid. Recipients in managed care plans are assigned to designated providers who participate in the recipient's plan.

[2-1-95; 8.301.5.12 NMAC – Rn, 8 NMAC 4.MAD. 604.3 & A, 7-1-01]

8.301.5.13 DESIGNATED PROVIDERS: Recipients who are in Medical Management are assigned to designated providers based on their specific health care situation. Recipients may be assigned to a designated provider who manages the recipient's overall receipt of health services by making referrals, a designated provider who furnishes only specialty services, or both. Medicaid payment for medical services is restricted to designated providers. Other providers can receive payment for services furnished to a recipient in Medical Management only with a referral from the designated provider. If a recipient is assigned a designated psychiatrist, only that psychiatrist is reimbursed by Medicaid or the MCO for providing outpatient psychiatric services to the recipient, unless the designated psychiatrist determines that it is medically necessary for the recipient to be referred to a second psychiatrist. If a recipient is assigned a designated general provider, only that provider is reimbursed by Medicaid or the MCO for providing outpatient services to the recipient, unless the designated general provider determines that it is medically necessary for the recipient to be referred to a secondary provider. If a recipient is assigned a designated pharmacy provider, only that provider is reimbursed by Medicaid fee-for-service or the MCO.

A. **Selection of Designated Providers**: Providers of outpatient services are selected as "designated providers". The following guidelines are used to select a provider:

(1) The provider must be a Medicaid fee-for-service or MCO contracted provider;

(2) The provider agrees to act in the capacity of a designated provider;

(3) The geographic location of the provider must not significantly impair or impede the recipient's access to services; and

(4) When feasible, the provider is one with whom the recipient has previously established a medically-beneficial relationship.

(5) If the designated provider is not the recipient's PCP, then the provider must coordinate with the recipient's PCP.

B. **Changing Designated Providers:** When any of the following circumstances occur, the MAD Medical Director or another physician designated by MAD can approve a request to change the designated providers permanently:

(1) The recipient moves from the geographic area of the designated provider;

(2) The recipient's medical condition changes and the designated provider is unable to furnish care or refer the recipient to an appropriate provider;

(3) The designated provider is no longer available or gives notice that he is no longer willing to serve as a designated provider; or

(4) The designated provider no longer participates in the Medicaid program.

[2-1-95; 8.301.5.13 NMAC – Rn, 8 NMAC 4.MAD. 604.4 & A, 7-1-01]

8.301.5.14 REEVALUATION OF ASSIGNMENT: Initial Medical Management assignments are reevaluated by the HSD staff within a year of the effective date of the assignment or from the date of reevaluation. The reevaluation focuses on whether assignments met the objectives identified in the HSD staff recommendation or whether the initial assignments need modification. A reevaluation is conducted using information similar to that used in the initial Medical Management assignment analysis. If continuation or modification of an assignment is necessary, the reasons for the action are documented in the case file. The MAD Medical Director or another physician designated by MAD makes the final decision as to whether the assignment needs to be continued, modified or removed.

A. **Medicaid Eligibility Changes:** Changes in recipient eligibility status do not affect the status of a recipient in Medical Management or the reevaluation process. If a recipient on Medical Management becomes ineligible for Medicaid benefits but later becomes Medicaid eligible within the assignment period, the recipient remains in Medical Management.

B. **Removal from the Medical Management Program:** Recipients are removed from Medical Management by HSD staff when the specific situation necessitating Medical Management has been resolved.

[2-1-95; 8.301.5.14 NMAC – Rn, 8 NMAC 4.MAD.604.5 & A, 7-1-01]

8.301.5.15 RECIPIENT NOTICE: The Medical Assistance Division gives a recipient and the MCO, if the recipient is enrolled in Salud!, 13 working days notice of the decision to place the recipient in Medical Management. Notice is given for the initial imposition of the assignment, modification of the assignment, or continuation of the assignment.

A. **Time Constraints:** A recipient can submit a request for a hearing of his assignment into Medical Management, assignment of the designated providers, modification, or continuation of the assignment. If the recipient requests a hearing within the time frame established in Section 16 of 8.301.5, RECIPIENT HEARING, the proposed assignment shall remain imposed until a hearing decision states otherwise.

B. **Information Contained in the Notice:** The recipient notice contains the following information [42 CFR 431.210]:

(1) Statement describing the action MAD intends to take;

(2) Reasons for the intended action;

(3) Specific state or federal regulations supporting the action or change(s) in the law which require the action;

(4) Explanation of the recipient's right to request an administrative hearing and the method and timetable by which the hearing can be requested;

(5) Statement explaining the recipient's right to be represented at the administrative hearing by legal counsel, a friend, or other representative;

(6) Explanation of the circumstances under which the benefits are continued; and

(7) Effective date of the assignment.

[2-1-95; 8.301.5.15 NMAC – Rn, 8 NMAC 4.MAD.604.6 & A, 7-1-01]

8.301.5.16 RECIPIENT HEARING: A recipient has a right to request a hearing regarding the MAD decision to assign the recipient into medical management. The request must be submitted to the Quality Assurance Bureau of MAD, the Human Services Department (HSD) Hearing Bureau or the local ISD office within 90 days of the date the notice of action was postmarked. See 8.352.2 NMAC, RECIPIENT HEARINGS.

[2-1-95; 8.301.5.16 NMAC – Rn, 8 NMAC 4.MAD.604.7 & A, 7-1-01]

HISTORY OF 8.301.5 NMAC:

Pre-NMAC History: The material in this part was derived from that previously filed with the Commission of Public Records - State Records Center and Archives:

ISD 325.0000, Medical Care Management, 5/6/80.

ISD-Rule 325.0000, Medical Care Management, 1/29/86.

MAD Rule 325.00, Medical Care Management, 3/14/94.

SP-004.1400, Section 4, General Program Administration Utilization Control, 3/3/81.

History of Repealed Material:
MAD Rule 325.00, Medical Management Program, Repealed, 1/8/95.