STATE: New Mexico
DATE RECEIVED: March 31, 2014
DATE APPROVED: June 19, 2014
EFFECTIVE DATE: January 1, 2014
Transmittal Number: 12-06B



## [illegible]ing for Professional Services

Except as otherwise provided in this state plan, payment to providers on a fee for service basis is limited to the lesser of the actual charge or the fee schedule established by the Department.

There is no differentiation between governmental and non-governmental providers with regard to reimbursement for the same services. The fees are available in a published fee schedule, except as otherwise indicated.

A group practice or other legal entity including a licensed treatment and diagnostic center is reimbursed at the rate payable to the individual performing physician or provider.

Reimbursement for physician services furnished in hospital outpatient settings that are also ordinarily furnished in a physician's office is determined by using the Department's fee schedule for each professional service and multiplying the allowed amount by .60. This reimbursement methodology is applicable only to a physician's professional services in hospital outpatient settings (i.e., a hospital clinic, hospital office, the outpatient department), as identified by Medicare.

Payment for the professional component of a radiology service performed in an inpatient, outpatient or office setting will not exceed 40 percent of the allowed amount payable for the complete procedure in an office setting. Nuclear medicine, radiation oncology, CT scans, and arteriogram are excluded from this limitation.

Supplemental Payments will be made in addition to payments otherwise provided under the state plan to physicians, dentists and mental health professionals who qualify for such payments under the criteria outlined below in part (a) of this section. The payment methodology for establishing and making the supplemental payments is provided below in parts (b) and (c) of this section. The average commercial rate is updated quarterly.

a. To qualify for a supplemental payment under this section, the provider must meet the following criteria.
   i. Be a licensed physician, dentist or mental health professional enrolled in the New Mexico Medicaid program; and
   ii. Be a member of a practice plan under contract to provide professional services at a state-owned academic medical center as determined by the Department.

b. For providers qualifying under part (a) of this section, a quarterly supplemental payment will be made equal to the difference between Medicaid payments otherwise made to these providers and the average rate paid for the services by commercial insurers.

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 the interim Medicaid payments already made for these services to establish the supplemental payment amount.

c. 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.

Preventive services provided to alternative benefit plan (ABP) recipients not otherwise covered under standard Medicaid benefits are also reimbursed using this methodology including annual preventive care physicals, expanded nutritional and dietary counseling, and expanded skin cancer and tobacco use counseling. Electroconvulsive therapy services provided to ABP 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.

The agency's fee schedule rates were set as of March 31, 2014, 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, under Fee for Service, and then under Fee Schedules, at: http://www.hsd.state.nm.us/providers/fee-schedules.aspx Notice of changes to rates will be made as required by 42 CFR 447.205.

STATE: New Mexico
DATE RECEIVED: March 31, 2014
DATE APPROVED: June 19, 2014
EFFECTIVE DATE: January 1, 2014
Transmittal Number: 12-06B

**B. 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 psychiatric clinical nurse specialists.

   The agency's fee schedule rates were set as of March 31, 2014, 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 Human Services Department website under Providers > Fee for Service > Fee Schedules, at: http://www.hsd.state.nm.us/providers/fee-schedules.aspx Notice of changes to rates 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, the appropriate group, or 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 90% of the physician fee schedule as described in Item I. A of Attachment 4.19 B, including preventive services for alternative benefit plan recipients. Otherwise, these providers practicing under the direction of a physician, physician extenders including pharmacist clinicians, physician assistants, and nurses all performing within their scope of practice as defined by state law and meeting all requirements under state law related to supervision, and pharmacists certified for prescribing and vaccine administration, are paid according to the physician fee schedule.

   The agency's fee schedule rates were set as of March 31, 2014, 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 Human Services Department website under Providers > Fee for Service > Fee Schedules, at: http://www.hsd.state.nm.us/providers/fee-schedules.aspx Notice of changes to rates will be made as required by 42 CFR 447.205.

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

   The agency's fee schedule rates were set as of March 31, 2014, 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 Human Services Department website under Providers > Fee for Service > Fee Schedules, at: http://www.hsd.state.nm.us/providers/fee-schedules.aspx Notice of changes to rates will be made as required by 42 CFR 447.205.

STATE: New Mexico
DATE RECEIVED: March 31, 2014
DATE APPROVED: June 19, 2014
EFFECTIVE DATE: January 1, 2014
Transmittal Number: 12-06B

4. Licensed Midwives (Lay Midwives): Payments to licensed midwives are made at 77% of the physician fee schedule as described in Item I. A of Attachment 4.19 B for global delivery codes; payments for other codes are made at 100% of the physician fee schedule. .

   The agency's fee schedule rates were set as of March 31, 2014, 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 Human Services Department website under Providers > Fee for Service > Fee Schedules, at: http://www.hsd.state.nm.us/providers/fee-schedules.aspx Notice of changes to rates will be made as required by 42 CFR 447.205.

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 agency's fee schedule rates were set as of March 31, 2014, 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, under Fee for Service, and then under Fee Schedules, at: http://www.hsd.state.nm.us/providers/fee-schedules.aspx Notice of changes to rates will be made as required by 42 CFR 447.205.

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 agency's fee schedule rates were set as of March 31, 2014, 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 Human Services Department website under Providers > Fee for Service > Fee Schedules, at: http://www.hsd.state.nm.us/providers/fee-schedules.aspx Notice of changes to rates will be made as required by 42 CFR 447.205.

STATE: New Mexico
DATE RECEIVED: March 31, 2014
DATE APPROVED: June 19, 2014
EFFECTIVE DATE: January 1, 2014
Transmittal Number: 12-06B

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

1. Physical therapy, occupation therapy, and speech and language pathology services (including audiologists) 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 March 31, 2014, 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 Human Services Department website under Providers > Fee for Service > Fee Schedules, at: http://www.hsd.state.nm.us/providers/fee-schedules.aspx 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 March 31, 2014, 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 Human Services Department website under Providers > Fee for Service > Fee Schedules, at: http://www.hsd.state.nm.us/providers/fee-schedules.aspx Notice of changes to rates 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.

The agency's fee schedule rates were set as of March 31, 2014, 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 Human Services Department website under Providers > Fee for Service > Fee Schedules, at: http://www.hsd.state.nm.us/providers/fee-schedules.aspx Notice of changes to rates will be made as required by 42 CFR 447.205.

STATE: New Mexico
DATE RECEIVED: March 31, 2014
DATE APPROVED: June 19, 2014
EFFECTIVE DATE: January 1, 2014
Transmittal Number: 12-06B

STATE: New Mexico
DATE RECEIVED: March 31, 2014
DATE APPROVED: June 19, 2014
EFFECTIVE DATE: January 1, 2014
Transmittal Number: 12-06B

## II. Payment for prescribed drugs.

For the Medicaid Fee- For-Service Program, the Department reimburses the lesser of the computed price or the usual and customary charge. This pricing methodology does not apply to drug items reimbursed under the Section 1915(b) Waiver for Managed Care.

a. Computed Price – The computed price is defined as the allowed cost of the drug plus a dispensing fee established by the department. The allowed cost is the lower of the following:

1. State Allowed Costs (SAC) – State allowed costs are established after (1) assuring availability of FDA A-rated therapeutically equivalent drug using information available from the FDA and from the American Society of Hospital Pharmacists on drug shortages; and (2) determining the typical package size used. SAC amounts will be calculated at 150% of the lowest cost product (from among Medicare reimbursement prices when available, manufacturer prices, wholesaler prices, and invoice prices) and will be at least 20% above the second lowest cost.

   This calculated amount may be lowered as follows: (1) To 60% of the average price of all available therapeutically equivalent multi-source drug products, but not below the cost for which an item is determined to be consistently and readily available from local wholesale sources in the state; or (2) When 2 or more therapeutically equivalent multi-source drug products are determined to be consistently and readily available from local wholesale sources within the state, the SAC may be lowered to the price at which the product is consistently and readily available.

   SAC reimbursement does not apply when a physician writes in his or her own handwriting "brand medically necessary" on the prescription. This constitutes physician certification that substitution of another product does not apply.

   In establishing the State Allowed Cost, the New Mexico Medicaid Program does not exceed, in the aggregated, payment levels established by CMS for multiple source and other drugs as required by 42 CFR 447.331 and 42 CFR 447.332.

2. Estimated Acquisition Cost: (EAC) -
   The EAC is established using the State Maximum Allowable Cost (SMAC), and the pricing with most closely approximates published Average Wholesale Prices less 14%; which are the Suggested Wholesale Price less 14% (SWP-14%); the Wholesale Net Unit price plus 6% (WNU+6%); the direct price plus 6% (DIR + 6%) when applicable.

3. Federal Upper Limit (FUL) – FUL is a federal maximum amount established by CMS. The FUL is not used during periods of time when CMS is not reviewing and establishing FUL's.

   FUL reimbursement does not apply when a physician writes in his or her own handwriting "brand medically necessary" on the prescription. This constitutes physician certification that the substitution of another product does not apply.

***Intentionally left blank due to deleted content.***

STATE: New Mexico
DATE RECEIVED: March 31, 2014
DATE APPROVED: June 19, 2014
EFFECTIVE DATE: January 1, 2014
Transmittal Number: 12-06B

***Intentionally left blank due to deleted content.***

STATE: New Mexico
DATE RECEIVED: March 31, 2014
DATE APPROVED: June 19, 2014
EFFECTIVE DATE: January 1, 2014
Transmittal Number: 12-06B

***Intentionally left blank due to deleted content.***

STATE: New Mexico
DATE RECEIVED: March 31, 2014
DATE APPROVED: June 19, 2014
EFFECTIVE DATE: January 1, 2014
Transmittal Number: 12-06B

***Intentionally left blank due to deleted content.***

STATE: New Mexico
DATE RECEIVED: March 31, 2014
DATE APPROVED: June 19, 2014
EFFECTIVE DATE: January 1, 2014
Transmittal Number: 12-06B

***Intentionally left blank due to deleted content.***

STATE: New Mexico
DATE RECEIVED: March 31, 2014
DATE APPROVED: June 19, 2014
EFFECTIVE DATE: January 1, 2014
Transmittal Number: 12-06B