



State of New Mexico
Medical Assistance Program Manual
Supplement



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TO: PROVIDERS PARTICIPATING IN THE NEW MEXICO MEDICAID PROGRAM

FROM: NS NANCY SMITH-LESLIE, DIRECTOR, MEDICAL ASSISTANCE DIVISION

SUBJECT: REMINDER OF FINAL REDUCTIONS TO THE MEDICAID FEE SCHEDULE – EFFECTIVE JANUARY 1, 2017

The New Mexico Human Services Department, Medical Assistance Division (HSD/MAD) issued notices to providers (Provider Supplements 16-01, 16-03, and 16-07 issued on April 29, June 29, and July 20, 2016, respectively) outlining proposed and final payment reductions to Medicaid providers. As stated in those Supplements, HSD/MAD is reducing Medicaid provider payment rates due to a serious shortfall in state revenue and a directive contained in the 2016 General Appropriations Act. These reductions will result in targeted savings, while still ensuring that Medicaid provider reimbursement is reasonable.

HSD received numerous comments from providers, tribal representatives and members of the public related to the Department's original proposed rate reductions. All comments were given serious weight and consideration, and HSD revised several of its originally proposed reductions in response to concerns that were expressed during the comment period.

Provider Supplement 16-07 notified Medicaid providers of the Department's final decision regarding practitioner reimbursement changes for providers who are paid according to the Medicaid fee schedule. As explained in Supplement 16-07, HSD determined that a phased approach to making the professional fee schedule reductions would be taken to ensure parity and proportionality in the final reduction methodology. The first set of reductions was implemented on August 1, 2016; the second set of reductions will be effective on January 1, 2017.

Effective January 1, 2017, HSD will reduce the professional fee schedule codes that remain at or above 100% of the Medicare rate to 94% of the Medicare rate. HSD will apply the same exceptions that were applied to the August 2016 rate reductions, exempting codes for maternity/obstetric care, family planning services and EPSDT Well-Child screens from the reduction.

A negative impact on Medicaid recipient access to providers as a result of these reductions is not expected. HSD will study the impact of these reductions on Medicaid recipient access and provider participation in the Medicaid program.

The changes to the fee schedule that will be effective January 1, 2017, may be found on the Department's website at: <http://www.hsd.state.nm.us/providers/fee-schedules.aspx>. Scroll to the bottom of the page, click on "Agree"; then click on "Submit". Changes to the fee schedule are found on documents entitled "Final Fee Schedule Changes Effective January 1, 2017", and "Behavioral Health Final Fee Schedule Changes Effective January 1, 2017".

Questions about these rate reductions may be directed to the HSD Medical Assistance Division at (505) 827-3100.