



Michelle Lujan Grisham, Governor
David R. Scrase, M.D., Secretary
Nicole Comeaux, J.D., M.P.H, Director

May 26, 2022

Interested Parties:

The New Mexico Human Services Department (HSD), through the Medical Assistance Division (MAD), is providing this notice of opportunity to comment on proposed State Plan Amendment (SPA) 22-0016 Post-Eligibility Treatment of Income (PETI).

Effective December 1, 2022, New Mexico is allowing the following medical expenses to be deducted from the Patient Paid Amount during the Post-Eligibility Treatment of Income (PETI) determination:

Amounts for incurred expenses for medical or remedial care that are not subject to payment by a third party, including:

1. Medicare and other health insurance premiums, deductibles, or coinsurance charges; and
2. Necessary medical or remedial care recognized under State law but not covered under the State's Medicaid plan, subject to reasonable limits on the amounts of these expenses.

A deduction for incurred medically necessary non-covered medical or remedial care expenses will be allowed when the bill is incurred during a period which is no more than three months prior to the month of an approved Institutional Care Medicaid application.

The deduction for medical and remedial care expenses that were incurred as the result of a transfer penalty period is limited to zero.

Deductions are allowed for the following expenses:

1. The non-covered expenses must be prescribed by a medical professional (e.g., a physician, dentist, optometrist etc.).
2. Deductions can be made for routine and emergency dental services.
3. Hearing aids and necessary related services. Deductions can only be made for the following services: (1) audiogram (2) ear mold (3) hearing aid (4) batteries (5) hearing aid orientation.
4. Eyeglasses and necessary related services. Deductions can only be made for the following services: (1) examination and refraction (2) frame (3) lenses (bifocal) (4) lenses (single).
5. Institutional long-term care medical expenses.

Deductions are not allowed for the following expenses:

1. Payments for cosmetic/elective procedures (e.g., face lifts or liposuction etc.) except when prescribed by a medical professional.
2. Expenses resulting from the failure to obtain prior approval from applicable private insurance, Medicare, or Medicaid.
3. Procedures allowed by Medicaid when prior authorization is denied due to the service being medically unnecessary.
4. Expenses when a third party (including Medicaid) is liable for the expenses, even if provided by an out-of-network provider.
5. General health insurance premiums paid by someone other than the recipient (excluding the community spouse) who is not a financially responsible relative and repayment is not expected to be paid back to the third party by the recipient.

HSD is implementing these changes to the current state plan limits on amounts for necessary medical or remedial care to comply with 42 CFR 435.725(c)(4).

The estimated financial impact is \$363,290 (in federal funds) for FFY 23 and \$435,952 (in federal funds) for FFY 24.

OPPORTUNITY TO VIEW DOCUMENTS AND MAKE COMMENTS

Medicaid providers, Medicaid recipients, and other interested parties are invited to make comments on this proposed SPA. The complete draft amendment may be found on the Department's website at: <https://www.hsd.state.nm.us/public-information-and-communications/opportunity-for-public-comment/public-notice-proposed-waiver-changes-and-opportunities-to-comment/comment-period-open/>

A written copy of these proposed documents may be requested by contacting the HSD Medical Assistance Division (HSD/MAD) in Santa Fe at (505) 827-1337.

Recorded comments may be left by calling (505) 827-1337. Electronic comments may be submitted to madrules@state.nm.us. **All comments must be received no later than 5:00 p.m. MT on June 26, 2022.** Written or e-mailed comments are preferred because they become part of the record associated with these changes.

Interested persons may address written comments to:

Human Services Department
Office of the Secretary
ATTN: Medical Assistance Division Public Comments
P.O. Box 2348
Santa Fe, New Mexico 87504-2348

Copies of all comments will be made available by HSD/MAD upon request by providing copies directly to a requestor or by making them available on the HSD/MAD website or at a location within the county of the requestor.