



State of New Mexico
Medical Assistance Program Manual
Supplement



DATE: May 29, 2007

NUMBER: 07-06

TO: SELECTED PROVIDERS PARTICIPATING IN THE NEW MEXICO MEDICAID PROGRAM

FROM: CAROLYN INGRAM, DIRECTOR, MEDICAL ASSISTANCE DIVISION

BY: ROBERT STEVENS, CHIEF, BENEFITS BUREAU

SUBJECT: PROVIDER NOTICE OF INCREASES IN MEDICAID REIMBURSEMENT

The Human Services Department (HSD) implemented Medicaid reimbursement changes effective July 1, 2006, for physicians and other providers, including clinics, midwives, anesthetists, nurse practitioners, audiologists, optometrists, podiatrists, radiology providers, and physical, occupational, and speech therapists.

HSD is planning to implement a revised fee schedule for services rendered by the above-referenced providers, increasing the rates for many of the services.

This notice is to inform providers of the fee schedule increase and how decisions concerning these rate increases are being made. Several guiding principles were used. Among these principles were the following:

- Promoting preventative and cost-effective care, including well-child checks that are part of the Early Periodic Screening, Diagnosis, and Treatment (EPSDT) Program, prenatal and obstetrical care, and nursing facility visits.
- Establishing parity among similar services when disparity exists.
- Meeting the intent of the appropriations for Medicaid providers approved by the legislature and governor.
- Meeting the federal definition, levels, and requirements for reasonableness of reimbursement; not exceeding federal limits on reimbursement; and following Medicaid Program policy.

The amount of the reimbursement changes will result in increased payments of approximately \$4,355,000 for the state fiscal year ending June 30, 2007. Payments to providers will be made by adjusting claims retroactively by ACS, the Medicaid Fiscal Agent. The adjustments will appear on statements of remittance over the next few months. It is essential that adjustments be made on a claim

by claim basis which may be inconvenient for providers. However, information on the remittance advice will clearly identify the claims for which additional payment is being made.

We appreciate your participation in the Medicaid Program. As such, we are pleased to make these reimbursement changes. All policy provisions regarding payment policies and limitations are still applicable.

A copy of the fee schedule will be placed on the web under Fee Schedule and Billing Information at: <http://www.hsd.state.nm.us/mad/providerinfo.htm>

You may comment on these changes or obtain more information by calling the Medical Assistance Division at (505) 827-3171.