



SUSANA MARTINEZ, GOVERNOR  
BRENT EARNEST, SECRETARY  
NANCY SMITH-LESLIE, DIRECTOR

## CORRECTION

November 2, 2015

To Medicaid Dental Providers and Interested Parties

The New Mexico Human Services Department Medical Assistance Division is providing this notice for the purpose of receiving comments on proposed payment changes for dental services performed in an outpatient hospital setting.

On November 1, 2010, the New Mexico Medicaid program implemented the Outpatient Prospective Payment System as the reimbursement methodology for outpatient hospital services. The model was based on Medicare and used 2010 Medicare payment levels to set the initial payment structure. No Medicare pricing was available for dental services performed in an outpatient hospital setting. A price of \$694.11 was implemented based on estimates of payments made from past billing and payment records. That amount was allowed for each procedure on each tooth. Since that time, it has been determined that the number of services billed per tooth has resulted in the payments for outpatient hospital dental services exceeding the federal upper limits that Medicaid is allowed to pay in relation to costs.

Therefore, effective December 1, 2015, outpatient hospital payment for each dental service performed in an outpatient hospital will be reduced from \$694.11 to \$230.00. Also, the dentist's services in an outpatient hospital setting will be considered "facility based" and will therefore be paid at 60% at the usual dental fee schedule amount, similar to how physicians are paid when performing procedures in outpatient hospital settings that are usually provided within office settings.

The applicable codes and proposed fee schedule amounts for outpatient hospital dental services may be found on the HSD website by going to: <http://www.hsd.state.nm.us/providers/fee-schedules.aspx> At the [website](#), accept the terms and conditions of using the site, scroll down to Proposed Fee Schedules or Rates and then see the posting titled: Proposed Outpatient Hospital OPPS and Dental Services Reimbursement.

The decreased expenditures to the Medicaid Program is anticipated to be \$11,700,000 annually for hospitals and \$ 187,000 for dentists, including costs under managed care plans, of which approximately 70% of those amounts are in federal matching funds. This change is being made following a review of the sufficiency of current reimbursement rates and upper payment levels for outpatient hospitals. The effective date is proposed as December 1, 2015 (**correction from previous version which said January 1, 2016**).

Interested persons may address written recorded comments to:

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

Recorded comments may be left at (505) 827-1337. Interested persons may also address comments via electronic mail to: [madrules@state.nm.us](mailto:madrules@state.nm.us). Written mail, electronic mail and recorded comments must be received no later than 5 p.m. MST on November 30, 2015.