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**For Immediate Release**

## **Governor Bill Richardson Instructs Human Services Department to Give One-Time Rate Increase to Medicaid Providers**

*Santa Fe, October 5, 2005* – Today Governor Bill Richardson instructed Human Services Department (HSD) Secretary Pamela Hyde to give a one-time rate increase to Medicaid providers. “We have a one-time savings that allows us to provide a \$13 million increase for New Mexico’s most critical Medicaid providers, such as physicians and dentists,” said Governor Bill Richardson. “These providers were hardest hit by federal decisions that have had a disproportionately negative impact on New Mexico’s health care delivery system.”

Since the beginning of the Richardson Administration, HSD has had to institute cost containment measures to ensure that the Medicaid program is fiscally sound -- in spite of these adverse federal actions -- and that Medicaid services are available for New Mexico’s most vulnerable citizens. “This impact has been felt especially by those providers who sacrifice to provide care for a large proportion of Medicaid clients,” said Pamela Hyde, HSD Secretary.

The one-time increase to physicians, dentists and other outpatient health care providers will help with their immediate costs and guarantee a stable provider base for our health care system in New Mexico. “This will also help ensure that health care providers continue to serve the state’s Medicaid clients,” said Carolyn Ingram, State Medicaid Director. The fee increase will be based on actual claims submitted during the first quarter of FY 2005.

“When the federal government causes states to reduce health care services and fails to respond to the needs of our citizens, we have to act,” said Hyde. “We will do so as long as we have the resources available,” said Hyde.

HSD is also looking at how other federal decisions could impact Medicaid recipients in order to determine how to make sure the most people possible continue to be served by the Medicaid program. Any impact of these decisions may be part of the FY 2007 budget, which will be submitted to the legislature for the 2006 legislative session.

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