

May 22, 2018

**RE: Tribal Notification to Request Advice and Comments Letter 18-14  
Medicaid Fee Schedule and Rate Increases**

Dear Tribal Leadership, Indian Health Service, Tribal Health Providers and other interested parties:

Seeking advice and comments from New Mexico's Indian Nations, Tribes, Pueblos and their healthcare providers is an important component of the government-to-government relationship with the State of New Mexico. In accordance with the New Mexico Human Services Department's (HSD's) Tribal Notification to Request Advice and Comments process, this letter is to inform you that HSD, through the Medical Assistance Division (MAD), is accepting comments until **5:00pm Mountain Daylight Time (MDT) through June 25, 2018**, regarding proposed Medicaid Fee Schedule and Rate Increases.

1. MAD is proposing to increase payment for the office visit evaluation and management code 99213 from \$50.52 to \$53.19, which is 75 percent of the 2016 Medicare fee schedule. This code is being updated because, in relation to Medicare payment levels, it was lower than any other office visit code and is a commonly billed code for primary care visits. The anticipated annual financial impact to HSD for this increase is estimated to be \$2.25 million total in state and federal funds combined. The proposed effective date is July 1, 2018. This proposed increase is open for public comment. This change is being proposed after considering how to best implement an appropriation in the 2018 General Appropriation Act that was specifically designated for a primary care rate increase.
2. MAD has constructed a new behavioral health fee schedule for July 1, 2018, that consists primarily of existing fee schedule rates for existing services with no changes. There are some services that HSD is proposing to add to the fee schedule that are already program benefits with existing rates. Some new services and rates are also being proposed based on rates for similar services. A small number of corrections and clarifications are noted on the new behavioral health fee schedule. The information on the chart is open for public comment. A summary of the proposed increased rates and other revisions to the fee schedule are described below.
  - a. For Assertive Community Treatment (ACT) Services, the rate for 15 minutes of service is being increased by 20 percent, from \$41.74 to \$50.09. Additionally, a new modifier is proposed for group services that will also be paid at the new rate.

b. Comprehensive Community Support Services (CCSS) will have a new modifier added to the fee schedule for services provided in the community to reflect an increased rate of \$18.21 for less than bachelor level or peer providers; \$21.95 for bachelor level providers; and \$25.04 for master level providers or above.

c. Treatment Foster Care daily rates will be increased by 20 percent to \$145.50 for Level II and \$195.88 for Level I.

d. Group psychotherapy rates are being increased by 20 percent to \$33.78 for physicians, and to \$28.15 for other practitioners.

e. For behavioral health codes for evaluation and treatment (90785 – 90863), new modifiers are proposed for services provided on holidays and weekends, and for services provided during the evening. When these modifiers are billed, reimbursement for these codes will be increased by 20 percent.

f. The fee schedule was updated to include expanded code descriptions for reimbursement of outpatient crisis stabilization services.

The proposed rate increases are listed in Part II of the new behavioral health fee schedule. The effective date of these proposed changes is July 1, 2018. The estimated financial impact is \$7.5 million, in total state and federal funds combined. These changes are being proposed after considering how to best implement an appropriation in the 2018 General Appropriation Act that was specifically designated for behavioral health rate increases.

3. In addition to the primary care and behavioral health rate increases proposed above, MAD is proposing targeted rate increases for certain types of Medicaid providers to ensure ongoing access to care for Medicaid recipients. The anticipated annual financial impact to HSD for these increases is estimated to be \$23.3 million total in state and federal funds combined. These proposed increases are open for public comment. The proposed rate increases include:

a. An increase of 7.84 percent in payment rates to nursing facilities, based on the 2017 market basket increase (MBI) and an appropriation in the 2018 General Appropriation Act that was specifically designated for a nursing facility rate increase.

b. An increase of one percent in payment rates to assisted living facilities.

c. An increase of three percent in payment rates for the Program of All Inclusive Care for the Elderly (PACE).

d. An increase of three percent in payment rates to Institutional Care Facilities for Individuals with Intellectual Disabilities (ICF/IIDs).

e. An increase of 38.7 percent in the payment rate for adult day health services. This increase will raise the reimbursement rate from \$2.04 to \$2.83 per 15 minute unit.

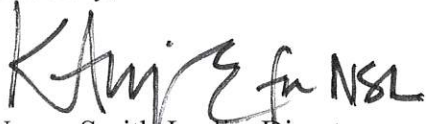
***Tribal Impact:*** *Because these changes are payment increases, the Department does not anticipate a negative impact to Native Americans, Pueblos, Indian Health Services or Tribal healthcare providers. It is anticipated the fee changes may improve access to services.*

Tribes and their healthcare providers may view the proposed fee schedule on the HSD webpage at: <http://www.hsd.state.nm.us/providers/written-tribal-consultations.aspx>. *Letter 18-14.*

**Important Dates:**

- **Written comments must be submitted by 5:00 p.m. Mountain Daylight Time (MDT) through June 25, 2018.** Please send your comments and questions to the MAD Native American Liaison, **Theresa Belanger**, at (505) 827-3122 or by email at: [Theresa.Belanger@state.nm.us](mailto:Theresa.Belanger@state.nm.us).
- All comments and responses will be compiled and available **July 10, 2018**.

Sincerely,

Handwritten signature in black ink that reads "KAmj E fa NSL".

Nancy Smith-Leslie, Director  
Medical Assistance Division

CC: Theresa Belanger  
PPB