

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 11-01	2. STATE New Mexico
FOR: HEALTH CARE FINANCING ADMINISTRATION		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE March 1, 2011	
5. TYPE OF PLAN MATERIAL (Check One):			
<input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 440.120		7. FEDERAL BUDGET IMPACT: The financial impact derives entirely from the DME reimbursement change for FFY 2011 (-\$149,100) reduction for FFY 2012 (-\$255,500) reduction	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19 B pages 6c (new), 6d (new), 6e (new) and 7		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19 B page 7	
10. SUBJECT OF AMENDMENT: * Effective March 1, 2011, the New Mexico Title XIX State Plan has been amended in section 4.19-B to reduce the reimbursement methodology for durable medical equipment items not included in the established fee schedule. This SPA also implements reimbursement changes identified through the companion letter issued for New Mexico SPA TN 10-08.			
11. GOVERNOR'S REVIEW (Check One):			
<input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL		<input checked="" type="checkbox"/> OTHER, AS SPECIFIED: Authority Delegated to the Medicaid Director.	
12. SIGNATURE OF STATE AGENCY OFFICIAL:		16. RETURN TO:	
13. TYPED NAME: Julie B. Weinberg		Julie B. Weinberg, Director Medical Assistance Division P.O. Box 2348 Santa Fe, NM 87504 - 2348	
14. TITLE: Acting Director, Medical Assistance Division			
15. DATE SUBMITTED: March 15, 2011 Re-signed: June 3, 2011			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: 15 March, 2011		18. DATE APPROVED: 13 June, 2011	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: 1 March, 2011		20. SIGNATURE OF REGIONAL OFFICIAL:	
21. TYPED NAME: Bill Brooks		22. TITLE: Associate Regional Administrator Div of Medicaid & Children's Health	
23. REMARKS: * Pen + Ink Change made per State's E-mail dating 6 June, 2011, correction the naming of Attachment 4.19-B to Attachment 4.19-B.			

VI. Clinical Diagnostic Lab Services

Laboratory services are covered under the laboratory benefit. Payment for clinical diagnostic laboratory services does not exceed payment levels specified by Section 1903(i) of the Social Security Act which is the Medicare fee schedule on a per test basis.

Beginning July 1, 2001, the Medicare fee schedule, as updated, is implemented as the Medicaid fee schedule.

For items and services for which there is not a Medicare fee schedule amount, the fee schedule is established by the state agency with consideration given to payment practices of other third party payers, comments from providers and appropriate professional societies, typical invoice costs from providers, comparison of fee schedule amounts for similar services and items, and/or the usual charges of the providers for services to non-Medicaid patients.

The agency's fee schedule rates for services and items for which there is not an established Medicare fee were set as of March 21, 2011, and are effective for services provided on or after that date.

All rates and any updates or periodic adjustments to the fee schedule are published on the agency's website for the New Mexico Human Services Department, Medical Assistance Division, Provider Enrollment and Program Policy, Fee for Service, under Fee Schedules, at: <http://www.hsd.state.nm.us/mad/feeschedules.html>

Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers.

Changes to the fee schedule are made with public notice, following the requirements of 42 CFR 447.205.

VII. Prescribed dentures, and prosthetic devices; and eyeglasses prescribed by a physician skilled in diseases of the eye or by an optometrist:

(1) Dentures

Dentures are covered under the service benefit of "Prescribed Drugs, Dentures, and Prosthetic Devices; and Eyeglasses Prescribed by a Physician Skilled in Diseases of the Eye or by an Optometrist". Payment for dentures is made at the lesser of the provider's billed charge or the current Medicaid fee schedule.

The Medicaid fee schedule is established by the state agency with consideration given to payment practices of other third party payers, comments from providers and appropriate professional societies, typical invoice costs from providers, comparison of fee schedule amounts for similar services and items and/or the usual charges of the providers for services to non-Medicaid patients.

The agency's fee schedule rates were set as of March 21, 2011, and are effective for services provided on or after that date. All rates and any updates or periodic adjustments to the fee schedule are published on the agency's website for the New Mexico Human Services

SUPERSEDES: NONE - NEW PAGE

STATE <u>New Mexico</u>	A
DATE REC'D <u>3-15-11</u>	
DATE APPV'D <u>6-13-11</u>	
DATE EFF <u>3-1-11</u>	
HCFA 179 <u>11-01</u>	

PAGE 6 d

Department, Medical Assistance Division, Provider Enrollment and Program Policy, Fee for Service, under Fee Schedules, at: <http://www.hsd.state.nm.us/mad/feeschedules.html>

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(2) Prosthetic and Orthotic Devices

Prosthetic devices and orthotics are covered under the service benefit of "Prescribed Drugs, Dentures, and Prosthetic Devices; and Eyeglasses Prescribed by a Physician Skilled in Diseases of the Eye or by an Optometrist".

Payment for prosthetic devices is made at the lesser of the provider's billed charge or the current Medicaid fee schedule.

Payment for orthotics (which are supportive prosthetic devices as described in CFR 440.120(c)), is made at the lesser of the provider's billed charge or the current Medicaid fee schedule.

Beginning July 1, 2001, the Medicare fee schedule, as updated by Medicare, is implemented as the Medicaid fee schedule.

For items and services for which there is not a Medicare fee schedule amount, the fee schedule is established by the state agency with consideration given to payment practices of other third party payers, comments from providers and appropriate professional societies, typical invoice costs from providers, comparison of fee schedule amounts for similar services and items, and/or the usual charges of the providers for services to non-Medicaid patients.

The agency's fee schedule rates for services and items for which there is not an established Medicare fee were set as of March 21, 2011, and are effective for services provided on or after that date.

All rates and any updates or periodic adjustments to the fee schedule are published on the agency's website for the New Mexico Human Services Department, Medical Assistance Division, Provider Enrollment and Program Policy, Fee for Service, under Fee Schedules, at: <http://www.hsd.state.nm.us/mad/feeschedules.html>

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SUPERSEDES: NONE - NEW PAGE

STATE <u>New Mexico</u>	A
DATE REC'D. <u>3-15-11</u>	
DATE APP'D <u>6-13-11</u>	
DATE EFF <u>3-1-11</u>	
HCFA 179 <u>11-01</u>	

PAGE 6 e

Changes to the fee schedule are made with public notice, following the requirements of 42 CFR 447.205.

(3) Medical Supplies, Oxygen, Durable Medical Equipment, Parenteral and Enteral Nutritional Products Suitable for Use in the Home

Medical Supplies, Oxygen, Durable Medical Equipment, Parenteral and Enteral Nutritional Products are covered under the home health agency benefit for recipient use in their residence. Payment for these items is made at the lesser of the provider's billed charge or the current Medicaid fee schedule.

Beginning July 1, 2001, the Medicare fee schedule, as updated, is implemented as the Medicaid fee schedule.

For items and services for which there is not a Medicare fee schedule amount, the fee schedule is established by the state agency with consideration given to payment practices of other third party payers, comments from providers and appropriate professional societies, typical invoice costs from providers, comparison of fee schedule amounts for similar services and items, and/or the usual charges of the providers for services to non-Medicaid patients.

The agency's fee schedule rates for services and items for which there is not an established Medicare fee were set as of March 21, 2011, and are effective for services provided on or after that date.

All rates and any updates or periodic adjustments to the fee schedule are published on the agency's website for the New Mexico Human Services Department, Medical Assistance Division, Provider Enrollment and Program Policy, Fee for Service, under Fee Schedules, at: <http://www.hsd.state.nm.us/mad/feeschedules.html>

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When there is no applicable fee schedule, payment is limited to the provider's acquisition invoice cost plus a percentage. For durable medical equipment, medical supplies and nutritional products for which the provider's actual acquisition cost, reflecting all discounts and rebates, is less than \$1,000 dollars, payment is limited to the provider's actual acquisition cost plus 20 percent. For items for which the provider's actual acquisition cost, reflecting all discounts and rebates, is \$1,000 or greater, payment is limited to the provider's actual acquisition cost plus 10 percent. For custom specialized wheelchairs and their customized related accessories: payment is limited to the provider's actual acquisition cost plus 15 percent.

(4) Eyeglasses and vision appliances

SUPERSEDES: NONE - NEW PAGE

STATE	<u>New Mexico</u>	A
DATE REC'D.	<u>3-15-11</u>	
DATE APP'VD	<u>6-13-11</u>	
DATE EFF	<u>3-1-11</u>	
HC FA 179	<u>11-01</u>	

PAGE 7

Eyeglasses and vision appliances are covered under the service benefit of "Prescribed Drugs, Dentures, and Prosthetic Devices; and Eyeglasses Prescribed by a Physician Skilled in Diseases of the Eye or by an Optometrist". Payment for eyeglasses and vision appliances are made at the lesser of the provider's billed charge or the current Medicaid fee schedule.

Beginning July 1, 2001, the Medicare fee schedule, as updated, is implemented as the Medicaid fee schedule.

For items and services for which there is not a Medicare fee schedule amount, the fee schedule is established by the state agency with consideration given to payment practices of other third party payers, comments from providers and appropriate professional societies, typical invoice costs from providers, comparison of fee schedule amounts for similar services and items, and/or the usual charges of the providers for services to non-Medicaid patients.

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SUPERSEDES: TN- 04-06

STATE <u>New Mexico</u>	A
DATE REC'D <u>3-15-11</u>	
DATE APP'D <u>6-13-11</u>	
DATE EFF <u>3-1-11</u>	
HCFA 179 <u>11-01</u>	