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State/Territory Name: New Mexico

State Plan Amendment (SPA) #: 19-0016

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
Center for Medicaid & CHIP Services
233 North Michigan Ave., Suite 600
Chicago, Illinois 60601



Financial Management Group

April 30, 2020

Ms. Nicole Comeaux
Director
Medical Assistance Division
New Mexico Human Services Department
2025 South Pacheco Drive
P.O. Box 2348
Santa Fe, New Mexico 87504-2348

RE: New Mexico TN#19-0016

Dear Ms. Comeaux:

We have reviewed the proposed New Mexico State Plan Amendment (SPA) to Attachment 4.19-B TN#19-0016, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on December 30, 2019. This SPA establishes a new minimum encounter rate for Federally Qualified Health Centers (FQHCs) based upon the national Medicare Prospective Payment System (PPS) base rate. Additionally, it establishes a new minimum encounter rate for FQHC dental services based on the national average cost of a dental encounter as established by the Health Resources and Services Administration (HRSA) Uniform Data System for 2017.

Based upon the information provided by the State, we have approved the amendment with an effective date of October 1, 2019. We are enclosing the approved CMS-179 and a copy of the new state plan page.

If you have any additional questions or need further assistance, please contact Tamara Sampson at 214-767-6431 or Tamara.Sampson@cms.hhs.gov.

Sincerely,

A solid black rectangular box redacting the signature of Todd McMillion.

Todd McMillion
Director
Division of Reimbursement Review

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

1. TRANSMITTAL NUMBER
1 9 0 1 6

2. STATE
New Mexico

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
CENTERS FOR MEDICARE & MEDICAID SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
October 1, 2019

5. TYPE OF PLAN MATERIAL (Check One)

- NEW STATE PLAN AMENDMENT TO BE CONSIDERED AS NEW PLAN AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION
42 CFR 447 Subpart F

7. FEDERAL BUDGET IMPACT
a. FFY 20 \$ 3,400,000
b. FFY 21 \$ 3,500,000

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Attachment 4.19-B, page 7b

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)
Attachment 4.19-B, page 7b (NM Amendment 03-002)

10. SUBJECT OF AMENDMENT
Federally Qualified Health Center (FQHC) Rates

11. GOVERNOR'S REVIEW (Check One)

- GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED Authority delegated to the Medicaid Director
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL

16. RETURN TO
Nicole Comeaux, J.D., M.P.H., Director
Medical Assistance Division
P.O. Box 2348
Santa Fe, NM 87504-2348

13. TYPED NAME
Nicole Comeaux

14. TITLE
Director, Medical Assistance Division

15. DATE SUBMITTED
12/30/2019

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED

18. DATE APPROVED
04/30/2020

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL

20. SIGNATURE OF REGIONAL OFFICIAL

21. TYPED NAME

22. TITLE

Todd McMillon

Director, Division of Reimbursement Review

23. REMARKS

Once the base period rate for each FQHC and RHC has been calculated, any claims paid for dates of service on or after January 1, 2001, that were paid an interim rate, will be reprocessed. This reprocessing will adjust the payment on each claim to the PPS base rate amount.

d. Updates to PPS base rates:

Beginning in Federal Fiscal Year (FFY) 2002, and each year thereafter, each FQHC and RHC payment amount (on a per visit basis) will be increased by the percentage increase in the Medicare Economic Index (MEI) for primary care services. This adjustment to the PPS rate will be effective each October 1.

e. Alternative Payment Methodology (APM)

An alternative payment methodology will be implemented effective April 1, 2003. This alternative methodology will re-index the PPS rates effective March 31, 2003 by the cumulative percentage difference between the increase in the Medical Care Component of the Consumer Price Index-Urban (CPI-U) for the 12 months in the calendar year 2001 and the increase in the Medicare Economic Index (MEI) effective for calendar year beginning January 1, 2002, and the increase in the Medical Care Component of the CPI-U for the 12 months in calendar year 2002 and the increase in the MEI effective for the calendar year beginning January 1, 2003. The new rates will be effective April 1, 2003. Beginning in Federal Fiscal Year 2021, the Department will calculate the APM by trending the PPS rate by the greater of either the MEI or the CPI-U. Providers must be notified of the APM rate and must agree to receive the APM. This APM will be at least equal to PPS.

Dental APM

Effective October 1, 2019, an alternative payment methodology will be paid for FQHC dental encounters. The alternative payment methodology is based on the national average cost of a dental encounter as established by the Health Resources and Services Administration (HRSA) Uniform Data system for 2017. Beginning in Federal Fiscal Year 2021, the Department will calculate the dental APM by trending the dental APM effective October 1, 2019 by the greater of either the MEI or the CPI-U. Providers must be notified of the dental APM rate and must agree to receiving the dental APM. The dental APM will be at least equal to PPS.

f. Change in Scope of Services

Once the PPS rates are determined as outlined in this section, adjustments to those rates will reflect changes in the scope of services will be made upon the written request of the provider and approval by the Medical Assistance Division (MAD). A provider's request for a PPS rate adjustment due to a change in scope of service must be received no later than 90 days after the provider's fiscal year end during which the change in scope of service occurred. The provider should notify MAD in advance of any impending changes. The provider will be required to submit data supporting that a change in the scope of service transpired. This documentation will include FQHC and RHC information report and any other supporting documentation considered necessary by MAD or its designee.

A minimum of six months should have elapsed since the change in the scope occurred to ensure the change was not temporary and that there is sufficient information upon which to base a rate adjustment. If the change in scope of service occurred in the last six months of a FQHC's and RHC's fiscal period, MAD may require the FQHC and RHC to submit and additional information report, covering at least six months since the change in scope of service transpired, to obtain the information necessary to evaluate the request.

MAD and/or its designee will review the request and determine if an adjustment to the established PPS rate is merited. The following criteria will be used to evaluate each FQHC request for a rate adjustment due to a change in scope of service. MAD's final determination will be communicated to the FQHC and RHC in writing.

TN No. NM 19-0016

Approval Date 04-30-20

Supersedes TN No. NM 03-002

Effective Date