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State/Territory Name: New Mexico

State Plan Amendment (SPA) #: 24-0005

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
7500 Security Boulevard, Mail Stop S3-14-28
Baltimore, Maryland 21244-1850



Financial Management Group

March 4, 2025

Dana Flannery
Director Medical Assistance Division
P.O. Box 2348
Santa Fe, NM 87504-2348

RE: TN 24-0005

Dear Director Flannery:

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed New Mexico state plan amendment (SPA) to Attachment 4.19-A NM 24-0005, which was submitted to CMS on July 29, 2024. This plan amendment allows hospitals to be reimbursed for implementing a plan of care for infants in the Comprehensive Addiction Recovery Act (CARA) program separate from the DRG.

We reviewed your SPA submission for compliance with statutory requirements, including in sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903 as it relates to the identification of an adequate source for the non-federal share of expenditures under the plan, as required by 1902(a)(2) of the Social Security Act and the applicable implementing Federal regulations.

Based upon the information provided by the state, we have approved the amendment with an effective date of July 1, 2024. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact Diana Dinh at 667-290-8857 or diana.dinh@cms.hhs.gov.

Sincerely,

A black rectangular box redacting the signature of Rory Howe.

Rory Howe
Director
Financial Management Group

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

2 4 — 0 0 0 5

2. STATE

N M3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL
SECURITY ACT

XIX



XXI

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

07/01/2024

5. FEDERAL STATUTE/REGULATION CITATION

21 CFR Part 1301

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2024 \$ 66,742b. FFY 2025 \$ 271,499

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-A Page 2

~~Attachment 4.19-B page 7~~8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable)

Attachment 4.19-A Page 2 (TN NO. 23-0004)

~~Attachment 4.19-B Page 7 (TN NO. 23-0012)~~

9. SUBJECT OF AMENDMENT

New Mexico will allow hospital providers to bill and be reimbursed for implementing a plan of care for infants in the Comprehensive Addiction Recovery Act (CARA) program and separate from DRG and in addition to the inpatient hospital stay.

10. GOVERNOR'S REVIEW (Check One)



GOVERNOR'S OFFICE REPORTED NO COMMENT



COMMENTS OF GOVERNOR'S OFFICE ENCLOSED



NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL



OTHER, AS SPECIFIED:

Authority delegated to the Medicaid Director

11. SIGNATURE OF STATE AGENCY OFFICIAL

12. TYPED NAME

Dana Flannery

13. TITLE

Director, Medical Assistance Division

14. DATE SUBMITTED

07/29/2024

15. RETURN TO

Dana Flannery
Medical Assistance Division
P.O. Box 2348
Santa Fe, NM 87504-2348

FOR CMS USE ONLY

16. DATE RECEIVED

July 29, 2024

17. DATE APPROVED

March 4, 2025

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

July 1, 2024

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL

Rory Howe

21. TITLE OF APPROVING OFFICIAL

Director, FMG

22. REMARKS

Pen-and-ink change made to Box 7 and Box 8 by CMS with state concurrence

Pediatric, psychiatric, substance abuse, and rehabilitation cases treated in non-exempt general acute care hospitals or non-PPS exempt units will be included in the PPS.

- D.** Indian Health Services hospitals will be reimbursed using a per diem rate established by the Federal Government.
- E.** New providers entering the Medicaid program will be reimbursed at the peer group median rate for the applicable peer group, until such time as rebasing occurs, unless the hospital meets the criteria for prospective payment exemption as described in subsection C and D above.
- F.** All hospitals which meet the criteria in Section IV.A of this plan will be eligible for a disproportionate share adjustment.
- G.** Effective for discharges on or after April 1, 1992, and in accordance with Section 4604 of the Omnibus Budget Reconciliation Act (OBRA) of 1990, the Department provides for an outlier adjustment in payment amounts for medically necessary inpatient services involving exceptionally high costs or long lengths of stay for children who have not attained the age of six years in disproportionate share hospitals, and for infants under age one in all hospitals. The outlier adjustment for these cases is described in Section III. F. of this plan.
- H.** Effective October 1, 2020, the Diagnosis Related Group (DRG) provider-specific rates described in New Mexico Disaster SPA 20-0005 are terminated. Thereafter, the DRG payment will revert to the reimbursement methodology outlined in subsections A through C of Methods and Standards for Establishing Payment Rates – Inpatient Hospital Services.
- I.** Effective the first day following the end of the public health emergency (PHE), New Mexico Medicaid will allow hospital providers to bill and be paid for pasteurized donor human milk (PDHM) services separate from the DRG and in addition to the inpatient hospital stay for infants through New Mexico Medicaid enrolled medical supply companies.
- J.** Effective July 1, 2024, New Mexico Medicaid will allow hospital providers to bill and be reimbursed for implementing a plan of care for infants in the Comprehensive Addiction Recovery Act (CARA) program separate from the DRG and in addition to the inpatient hospital stay.

All rates and any updates or periodic adjustments to the fee schedule are published on the New Mexico Medicaid website.