

# **Table of Contents**

**State/Territory Name: New Mexico**

**State Plan Amendment (SPA)#:NM-24-0012**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S2-14-26  
Baltimore, Maryland 21244-1850



**Center for Medicaid and CHIP Services**

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**Medical Benefits Health Programs Group**

April 03, 2025

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

Dear Dana Flannery,

The CMS Division of Pharmacy team has reviewed New Mexico's State Plan Amendment (SPA) 24-0012 received in the CMS Medicaid Services OneMAC application on January 21, 2025. This SPA proposes to allow New Mexico to enter into Value-Based Agreements with drug manufacturers on a voluntary basis.

Based on the information provided and consistent with the regulations at 42 CFR 430.20, we are pleased to inform you that SPA 24-0012 is approved with an effective date of January 1, 2025. Our review was limited to the materials necessary to evaluate the SPA under applicable federal laws and regulations.

We are attaching a copy of the signed CMS-179 form, as well as the page approved for incorporation into New Mexico's state plan. If you have any questions regarding this amendment, please contact Charlotte Hammond at (410) 786-1092 or [charlotte.hammond@cms.hhs.gov](mailto:charlotte.hammond@cms.hhs.gov).

Sincerely,

A black rectangular box redacting the signature of Cynthia Denemark.

Cynthia Denemark  
Director, Division of Pharmacy

cc: La Risa, Rodges, New Mexico Medical Assistance Division  
Dana Brown, Medicaid and CHIP Operations Group

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

1. TRANSMITTAL NUMBER

2 4 — 0 0 1 2

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

January 1, 2025

5. FEDERAL STATUTE/REGULATION CITATION

42 CFR Part 447 Subpart I

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2025\$ 0b. FFY 2026\$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 3.1A1 Page 2

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (If Applicable)

Attachment 3.1A1 Page 2 (TN:23-0009)

9. SUBJECT OF AMENDMENT

Establishment of a value-based supplemental rebate agreements.

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

01/21/2025

15. RETURN TO

Dana Flannery

Medical Assistance Division

P.O. Box 2348

Santa Fe, NM 87504-2348

**FOR CMS USE ONLY**

16. DATE RECEIVED

01/21/2025

17. DATE APPROVED

04/03/2025

**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL

01/01/2025

20. TYPED NAME OF APPROVING OFFICIAL

CYNTHIA, DENEMARK

21. TITLE OF APPROVING OFFICIAL

DIRECTOR, DIVISION OF PHARMACY

22. REMARKS

## INSTRUCTIONS FOR COMPLETING FORM CMS-179

Use Form CMS-179 to transmit State plan material to the Center for Medicaid & CHIP Services for approval. Submit a separate typed transmittal form with each plan/amendment.

**Block 1 - Transmittal Number** - Enter the State Plan Amendment transmittal number. Assign consecutive numbers on a **calendar year** basis with the first two digits being the two-digit year (e.g., 21-0001, 21-0002, etc.). Because states have different state fiscal years, a calendar year is required for consistency.

**Block 2 - State** - Enter the two-letter abbreviation code of the State/District/Territory submitting the plan material.

**Block 3 - Program Identification** - Enter the applicable Title of the Social Security Act (Title XIX Medicaid or Title XXI CHIP).

**Block 4 - Proposed Effective Date** - Enter the proposed effective date of material. The effective date of a new plan may not be earlier than the first day of the calendar quarter in which an approvable plan is submitted. With respect to expenditures for assistance under such plan, the effective date may not be earlier than the first day on which the plan is in operation on a statewide basis or earlier than the day following publication of notice of changes.

**Block 5 - Federal Statute/Regulation Citation** - Enter the appropriate statutory/regulatory citation.

**Block 6 - Federal Budget Impact - 6(a)** - IN WHOLE DOLLARS, NOT IN THOUSANDS, Enter 1st **Federal Fiscal Year** (FFY) impacted by the SPA & estimated Federal share of the cost of the SPA for 1st FFY. The first FFY should be the FFY inclusive of the earliest effective date of any amended payment language; **6 (b)** - Enter 2nd FFY impacted by the SPA & estimated Federal share of the cost for 2nd FFY. In general, the estimates should include any amount not currently approved in the state's plan for assistance.

**Block 7 - Page No.(s) of Plan Section or Attachment** - Enter the page number(s) of plan material amended and transmitted. If additional space is needed, use bond paper. **New pages** should be included in Block 7, but not in Block 8.

**Block 8 - Page No.(s) of the Superseded Plan Section or Attachment (if Applicable)** - Enter the page number(s) (including the transmittal number) that is being superseded. If additional space is needed, use bond paper. **Deleted pages** should be included in Block 8, but not in Block 7.

**Block 9 - Subject of Amendment** - Briefly describe plan material being transmitted.

**Block 10 - Governor's Review** - Check the appropriate box. See SMM section 13026 A.

**Block 11 - Signature of State Agency Official** - Authorized State official signs this block.

**Block 12 - Typed Name** - Type name of State official who signed block 11.

**Block 13 - Title** - Type title of State official who signed block 11.

**Block 14 - Date Submitted** - Enter the date that the state transmits plan material to CMCS. Unless the state officially withdraws this SPA and then resubmits it, this date should not be revised. Documentation of version revisions will be maintained in the CMCS administrative record.

**Block 15 - Return To** - Type the name and address of State official to whom this form should be returned.

**Block 16–22 (FOR CMS USE ONLY).**

**Block 16 - Date Received** - Enter the date plan material is received by CMCS. This is the date that the submission is received by CMCS via the subscribed submission process.

**Block 17 - Date Approved** - Enter the date CMCS approved the plan material.

**Block 18 - Effective Date of Approved Material** - Enter the date the plan material becomes effective. If more than one effective date, list each provision and its effective date in Block 22 or attach a sheet.

**Block 19 - Signature of Approving Official** - Approving official signs this block.

**Block 20 - Typed Name of Approving Official** - Type approving official's name.

**Block 21 - Title of Approving Official** - Type approving official's title.

**Block 22 - Remarks** - Use this block to reference and explain agreed to changes and strike-throughs to the original CMS-179 as submitted, a partial approval, more than one effective date, etc. If additional space is needed, use bond paper.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
State/Territory: NEW MEXICO

MEDICAID PROGRAM: REQUIREMENTS RELATING TO COVERED OUTPATIENT DRUGS FOR  
THE CATEGORICALLY NEEDY

**12.a. Prescribed Drugs: Description of Service Limitation**

**Attachment 3.1A1  
Page 2**

Citation(s)	Provision(s)
<input checked="" type="checkbox"/>	(d) prescription vitamins and mineral products.
<input checked="" type="checkbox"/>	(e) nonprescription drugs. Selective non-prescription (over the counter) medications will be covered as listed on the state's website.
<input checked="" type="checkbox"/>	(f) covered outpatient drugs which the manufacturer seeks to require as a condition of sale that associated tests or monitoring services be purchased exclusively from the manufacturer, or its designee.

The State may enter into value-based contracts with manufacturers. These contracts will be executed on the model agreement entitled "Value-Based Supplemental Rebate Agreement" authorized for use beginning January 1, 2025.

- Supplemental rebates received by the state for the Medicaid population in excess of those required under the national drug rebate agreement will be shared with the federal government. The state will remit the federal portion of any cash state supplemental rebates collected on the same percentage basis as applied under the national rebate agreement.
- All drugs covered by the program, irrespective of a prior authorization agreement, will comply with the provisions of the national drug rebate agreement.

TN No.: 24-0012

Approval Date: 04/03/2025

Supersedes TN No. 23-0009

Effective Date: 01/01/2025