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State/Territory Name: New Mexico

State Plan Amendment (SPA) #: 26-0002

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
601 E. 12th St., Room 355
Kansas City, Missouri 64106



Medicaid and CHIP Operations Group

March 25, 2026

Alanna Dancis
Acting Director
Medical Assistance Division
New Mexico Human Services Department
2025 South Pacheco Drive
Santa Fe, New Mexico 87504-2348

Re: New Mexico State Plan Amendment (SPA) – 26-0002

Dear Director Dancis:

The Centers for Medicare & Medicaid Services (CMS) reviewed your Medicaid State Plan Amendment (SPA) submitted under transmittal number (TN) 26-0002. This amendment proposes to capture reimbursement methodology for crossover payments for inpatient claims when billing provider is Skilled Nursing Facilities (SNF), Institutional Care Facilities for Individuals with Intellectual Disabilities (ICF/IID), Residential Treatment Centers (RTC), Treatment Foster Care (TFC), or Indian Health Service (IHS). Payments are reimbursed at Medicare coinsurance and deductible amount.

We conducted our review of your submittal according to statutory requirements in Title XIX of the Social Security Act and implementing regulations 42 CFR 447. This letter informs you that New Mexico's Medicaid SPA TN 26-0002 was approved on March 25, 2026, with an effective date of January 1, 2026.

Enclosed are copies of Form CMS-179 and approved SPA pages to be incorporated into the New Mexico State Plan.

If you have any questions, please contact Dana Brown at (410) 786-0421 or via email at Dana.Brown@cms.hhs.gov.

Sincerely,

Nicole McKnight
On Behalf of Courtney Miller, MCOG Director

Enclosures

cc: Valerie Tapia, NMHSD

<p>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES</p>		<p>1. TRANSMITTAL NUMBER <u>2 6 — 0 0 0 2</u></p>	<p>2. STATE <u>NM</u></p>
<p>TO: CENTER DIRECTOR CENTERS FOR MEDICAID & CHIP SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES</p>		<p>3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <input checked="" type="radio"/> XIX <input type="radio"/> XXI</p>	
<p>5. FEDERAL STATUTE/REGULATION CITATION <u>42 CFR 447</u></p>		<p>4. PROPOSED EFFECTIVE DATE <u>1/1/2026</u></p>	
<p>7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT <u>Supplement 1 to Attachment 4.19-B pages 1-3</u></p>		<p>6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY <u>2026</u> \$ <u>0</u> b. FFY <u>2027</u> \$ <u>0</u></p>	
<p>9. SUBJECT OF AMENDMENT <u>To capture reimbursement methodology for payments for inpatient claims when billing provider is a SNF, ICF/IID, RTC, TFC, or IHS. Payments are reimbursed at Medicare coinsurance and deductible amount.</u></p>		<p>8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) <u>Supplement 1 to Attachment 4.19-B pages 1-3</u></p>	
<p>10. GOVERNOR'S REVIEW (Check One)</p> <p><input type="radio"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="radio"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="radio"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL</p> <p style="text-align: right;"><input checked="" type="radio"/> OTHER, AS SPECIFIED: <u>Delegated to the Acting Medicaid Director</u></p>			
<p>11. SIGNATURE OF STATE AGENCY OFFICIAL</p>	<p>12. TYPED NAME <u>Alanna Dancis</u></p>	<p>15. RETURN TO Alanna Dancis Medical Assistance Division P.O. Box 2348 Santa Fe, NM 87504-2348</p>	
<p>13. TITLE <u>Acting Medicaid Director, Medical Assistance Division</u></p>	<p>14. DATE SUBMITTED <u>2/5/2026</u></p>	<p>FOR CMS USE ONLY</p>	
<p>16. DATE RECEIVED <u>February 5, 2026</u></p>	<p>17. DATE APPROVED <u>March 25, 2026</u></p>	<p>PLAN APPROVED - ONE COPY ATTACHED</p>	
<p>18. EFFECTIVE DATE OF APPROVED MATERIAL <u>January 1, 2026</u></p>	<p>19. SIGNATURE OF APPROVING OFFICIAL <u>[Redacted]</u></p>		
<p>20. TYPED NAME OF APPROVING OFFICIAL <u>Nicole McKnight</u></p>	<p>21. TITLE OF APPROVING OFFICIAL <u>On Behalf of Courtney Miller, MCOG Director</u></p>		
<p>22. REMARKS</p>			

**STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
STATE OF NEW MEXICO
METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES
-OTHER TYPES OF CARE**

Revision: HCFA-PM-91-4

(BPD)

Supplement 1 to Attachment 4.19-B

Page 1

Payment of Medicare Part A and Part B Deductible/Coinsurance

Except for a nominal copayment (as specified in Attachment 4.18(b)(3) of the State Plan, *Recipient Cost Sharing and Similar Charges*), if applicable, the Medicaid agency uses the following general method for payment:

1. Payments are limited to State Plan rates and payment methodologies for the groups and payments listed below and designated with the letters "SP".

For specific Medicare services which are not otherwise covered by this State Plan, the Medicaid agency uses Medicare payment rates unless a special rate or method is set out on Page 3 in item A of this attachment.

2. Payments are up to the full amount of the Medicare rate for the groups and payments listed below and designated with the letters "MR".
3. Payments are up to the amount of a special rate, or according to a special method, described on Page 3 in item B of this attachment, for those groups and payments listed below and designated with the letters "NR".
4. Any exceptions to the general methods used for a particular group or payment are specified on Page 3 in item B of this attachment (see 3. above).

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Supplement 1 to Attachment 4.19-B
Page 2

Payment of Medicare Part A and Part B Deductible/Coinsurance

QMBs	Part A	<u>MR</u>	Deductibles	<u>MR</u>	Coinsurance
	Part B	<u>SP</u>	Deductibles	<u>SP</u>	Coinsurance
Other Medicaid Recipients	Part A	<u>MR</u>	Deductibles	<u>MR</u>	Coinsurance
	Part B	<u>SP</u>	Deductibles	<u>SP</u>	Coinsurance
Dual Eligible (QMB Plus)	Part A	<u>MR</u>	Deductibles	<u>MR</u>	Coinsurance
	Part B	<u>SP</u>	Deductibles	<u>SP</u>	Coinsurance

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**Supplement 1 to Attachment 4.19-B
Page 3**

Payment of Medicare Part A and Part B Deductible/Coinsurance

Special Rates (NR)

- A. Payment of coinsurance and deductibles for Medicare services not covered by Medicaid will be at the Medicare rate.

- B. Inpatient services provided by Skilled Nursing Facilities (SNF), Institutional Care Facilities for Individuals with Intellectual Disabilities (ICF/IID), Residential Treatment Centers (RTC), Treatment Foster Care (TFC), or Indian Health Service (IHS) are paid at the full Medicare coinsurance and deductible amount.