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State/Territory Name: New Mexico

State Plan Amendment (SPA) #: NM 23-0004

This file contains the following documents in the order listed:

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

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, MD 21244-1850



Financial Management Group

April 14, 2023

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

RE: New Mexico State Plan Amendment (SPA) 23-0004

Dear Ms. Comeaux:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid state plan submitted under transmittal number (TN) 23-0004. Effective May 12, 2023, New Mexico Medicaid is reimbursing pasteurized donor milk separately from the DRG in inpatient settings.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a), and 1923 of the Social Security Act and the regulations at 42 CFR 447 Subpart C. We hereby inform you that Medicaid State plan amendment 23-0004 is approved effective May 12, 2023. We are enclosing the CMS-179 and the amended 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,



Rory Howe
Director

Enclosure

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

1. TRANSMITTAL NUMBER

2 3 — 0 0 0 4

2. STATE

NM

3. 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

May 12, 2023

5. FEDERAL STATUTE/REGULATION CITATION

42 CFR 440.10; 42 CFR 447

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 23 \$0
b. FFY 24 \$0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-A, page 2

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

Attachment 4.19-A, page 2 (TN 20-0017)

9. SUBJECT OF AMENDMENT

Effective the first day following the end of the public health emergency (PHE), New Mexico Medicaid is reimbursing pasteurized donor human milk (PDHM) separately from the DRG in inpatient settings.

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
Nicole Comeaux

13. TITLE
Director, Medical Assistance Division

14. DATE SUBMITTED
January 31, 2023

15. RETURN TO

Lorelei Kellogg, Acting Director
Medical Assistance Division
P.O. Box 2348
Santa Fe, NM 87504-2348

FOR CMS USE ONLY

16. DATE RECEIVED
January 31, 2023

17. DATE APPROVED
April 14, 2023

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
May 12, 2023

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL
Rory Howe

21. TITLE OF APPROVING OFFICIAL
Director, FMG

22. REMARKS

ATTACHMENT 4.19-A
PAGE 2

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 hospital 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 May 12, 2023, New Mexico Medicaid will allow hospital providers to bill and be paid for pasteurized donor human milk (PDHM) services, as described in Attachment 4.19-B, page 6e, separate from the DRG and in addition to the inpatient hospital stay for infants through New Mexico Medicaid enrolled medical supply companies.