



Regional Operations Group

December 12, 2019

Our Reference: SPA NM 19-0007

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

Attention: Jennifer Vigil

Dear Ms. Comeaux:

We have reviewed the State's proposed amendment to the New Mexico State Plan submitted under Transmittal Number 19-0007, dated March 29, 2019. This state plan amendment changes the reimbursement methodology for the rural rates associated with the durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS) program.

Based on the information submitted, we have approved the amendment for incorporation into the official New Mexico State Plan with an effective date change of January 1, 2019. A copy of the CMS- 179 and the approved plan page are enclosed with this letter.

If you have any questions, please contact Ford Blunt of my staff. Mr. Blunt may be reached at (214) 767-6381 or by e-mail at Ford.Blunt@cms.hhs.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Brooks", is positioned above the typed name.

Bill Brooks
Director
Regional Operations Group

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| TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES | 1. TRANSMITTAL NUMBER <u>1 9 - 0 0 7</u> | 2. STATE New Mexico |
| | 3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID) | |

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| TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES | 4. PROPOSED EFFECTIVE DATE January 1, 2019 |
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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)

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| 6. FEDERAL STATUTE/REGULATION CITATION 42 CFR 447 | 7. FEDERAL BUDGET IMPACT a. FFY <u>2019</u> \$ <u>0.00</u> b. FFY <u>2020</u> \$ <u>0.00</u> |
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| 8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19-B pages 6e | 9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Attachment 4.19-B pages 6e |
|--|---|

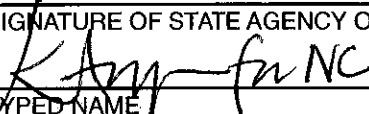
10. SUBJECT OF AMENDMENT

Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) rural rates


11. GOVERNOR'S REVIEW (Check One)

GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

Authority delegated to the Medicaid Director

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| 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 March 29, 2019 | |

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| FOR REGIONAL OFFICE USE ONLY | |
| 17. DATE RECEIVED March 29, 2019 | 18. DATE APPROVED December 12, 2019 |

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| PLAN APPROVED - ONE COPY ATTACHED | |
| 19. EFFECTIVE DATE OF APPROVED MATERIAL January 1, 2019 | 20. SIGNATURE OF REGIONAL OFFICIAL  |
| 21. TYPED NAME Bill Brooks | 22. TITLE Director Regional Operations Group |

23. REMARKS

Attachment 4.19-B

PAGE 6e

Changes to the fee schedule are made with public notice, following the requirements of 42 CFR 447.205.

(3) Medical Supplies, Oxygen, Durable Medical Equipment, Parenteral and Enteral Nutritional Products Suitable for Use in the Home

Medical Supplies, Oxygen, Durable Medical Equipment, Parenteral and Enteral Nutritional Products are covered under the home health agency benefit for recipient use in their residence. Payment for these items is made at the lesser of the provider's billed charge or the current Medicaid fee schedule.

Beginning July 1, 2001, the Medicare fee schedule, as updated, is implemented as the Medicaid fee schedule. For items of DME provided in Medicare Competitive Bidding Areas (CBAs) where rates for specific items have been competitively bid under the Medicare program, the rate is set at the lower of the following:

1. The Medicare single payment amount specific to the geographic area where the item is being provided, that are in effect as of January 1 each year, and updated on a quarterly basis (April 1, July 1, October 1) as needed; or
2. The non-rural and rural DMEPOS fee schedule rate.

If there is no competitively bid payment rate for an item of DME in a CBA, reimbursement for DME provided in non-rural areas is set at the Medicare DMEPOS fee schedule rate for New Mexico geographic, non-rural areas that are in effect as of January 1 each year.

For items of DME provided in rural areas, the rate is set at the Medicare DMEPOS fee schedule rate for New Mexico geographic, rural areas, set as of January 1 each year.

For items and services for which there is not a Medicare fee schedule amount, the fee schedule is established by the state agency with consideration given to payment practices of other third party payers, comments from providers and appropriate professional societies, typical invoice costs from providers, comparison of fee schedule amounts for similar services and items, and/or the usual charges of the providers for services to non-Medicaid patients.

Except as otherwise noted in the state plan, state developed fee schedule rates are the same for both governmental and private providers. The agency's fee schedule rates were set as of March 21, 2011 and are effective for services provided on or after that date. All rates are published at <http://www.hsd.state.nm.us/providers/fee-schedules.aspx>.

Changes to the fee schedule are made with public notice, following the requirement of 42 CFR 447.205.

When there is no applicable fee schedule, payment is limited to the provider's acquisition invoice cost plus a percentage. For durable medical equipment, medical supplies and nutritional products for which the provider's actual acquisition cost, reflecting all discounts and rebates, is less than \$1,000 dollars, payment is limited to the provider's actual acquisition cost plus 20 percent. For items for which the provider's actual acquisition cost, reflecting all discounts and rebates, is \$1,000 or greater, payment is limited to the provider's actual acquisition cost plus 10 percent. For custom specialized wheelchairs and their customized related accessories: payment is limited to the provider's actual acquisition cost plus 15 percent.

(4) Eyeglasses and vision appliances

TN No. 19-0007

Approval Date 12-12-19

Supersedes TN No. 11-0001

Effective Date 01-01-19