

New Mexico Medicaid Provider Rate Increase Recap

Supporting providers, increasing access to care

In the 2024 Legislative Session, **House Bill 2** appropriated Medicaid provider rate increases to bolster the provider network and increase access to needed health care services for the nearly 1 million New Mexicans who rely on Medicaid. Approximately 64,500 Medicaid billing codes received rate increases or were changed from cost-based to set rates.

Most rate increases were effective 1/1/25. FQHC increases were effective 10/1/24.

EXAMPLES OF INCREASED PROVIDER BILLING CODES

Based on legislative appropriation, services within the categories of Maternal and Child Health, Behavioral Health and Primary Care increased to 150% of the Medicare rate (where a Medicare equivalent is available). All other codes with Medicare equivalents were raised to 100% of Medicare.

Codes without Medicare equivalents, within the categories of Maternal and Child Health, Behavioral Health and Primary Care received were increased 17.1%. All other codes without a Medicare Equivalent were increased 1.3%.

RAISED TO 150% of MEDICARE		RAISED TO 100% OF MEDICARE		NON- MEDICARE EQUIVALENTS	
EXAMPLE BILLING CODES	COMMON USE	BILLING CODE	COMMON USE	EXAMPLE BILLING CODES	COMMON USE
59400	MATERNAL HEALTH	86036	LAB	59409	MATERNAL HEALTH
90849, 90853	BEHAVIORAL HEALTH			90853	GROUP THERAPY
99213	PRIMARY CARE			92507	PRIMARY CARE

EXAMPLES OF PROVIDER BILLING CODES THAT RECEIVED TARGETED INCREASES

Targeted rate increases are intended to address the needs of some of New Mexico's most vulnerable individuals and to strengthen behavioral health network capacity.

BILLING CODES	COMMON USE	2025 RATE (% INCREASE)
S5145, S5145 U1	TREATMENT FOSTER CARE	\$491.19 (85%) \$364.88 (85%)
1003	ACCREDITED ADULT RESIDENTIAL TREATMENT CENTER (AARTC) FOR SUD	Tier 1 \$249.04/day (changed from cost-based) Tier 2 \$349.76/day Tier 3 607.98/day
1005	GROUP HOME FOR YOUTH	\$209.49 (85%)

TIMELINE OF RATE INCREASE EFFECTIVE DATES

Implementing new rates is a 12-month process that requires several steps:

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| 1. Design/methodology development | 7. Direction to MCOs and providers |
| 2. Public and tribal notice | 8. MCOs may need to renegotiate provider contracts |
| 3. Advance publication of fee schedules | 9. Retroactive increases require rate reprocessing |
| 4. Negotiation of federal approval | 10. Reporting by MCOs to verify completion |
| 5. IT (HCA and MCO) system changes | |
| 6. Revision of capitation payments | |

WHERE TO FIND FEE SCHEDULES

Fee schedules are posted on the HCA [Fee Schedules - New Mexico Health Care Authority](#) web page. To view, review the fee schedule disclaimer and accept “Agree” at the bottom of the page. Please send any questions to MADInfo.HCA@hca.nm.gov.