Michelle Lujan Grisham, Governor
Kari Armijo, Secretary
Alanna Dancis, Acting Medicaid Director

Letter of Direction #59-1

Date: **June 30, 2026**

To: **Turquoise Care Managed Care Organizations**

From: **Alanna Dancis, Acting Director, Medical Assistance Division**

Subject: **Turquoise Care Community Benefit (CB) Recommended Provider Rates Repeal and Replace Turquoise Care Letter of Direction #59**

Title: **CB Recommended Provider Rates**

The Health Care Authority (HCA) is publishing the fee schedule for the Agency-Based Community Benefit (ABCB) program and updating the range of rates for the Self-Directed Community Benefit (SDCB) program.

In 2026, the New Mexico legislature appropriated funding to support a 5.8% increase across the board for Community Benefit personal care services. HCA expects that MCOs implement the intent of the signed legislation. As such, HCA raised the recommended rates for 99509 and T1019 by 5.8%, displayed in Tables 1 and 2 below. HCA also increased the rates for Speech Therapy (G0153) and Occupational Therapy (G0152) to align with Developmental Disabilities Supports Division rates for these same services.

To maintain a sufficient network of providers to ensure that all approved CB services are delivered, it is recommended that the MCOs reimburse CB services (at the provider and code combination) at a minimum of the rates indicated in the tables below. If the MCO does not intend to pay a CB provider at least the rate in the recommended CB fee schedule for each service, the MCO must notify HCA within 15 business days of the LOD of the proposed alternate rates and provide an explanation of how it intends to track, evaluate, and mitigate any potential negative impacts to access to care that could result.

For Example:
The MCO reimburses an agency-based CB provider for procedure 99509 U1 (respite) at a rate of $28.00 per hour/unit which is below the recommended rate of $29.84 per hour/unit.
HCA will review the proposed rates to consider if an adjustment to the MCO's future capitation rates may be warranted. HCA may verify that these requirements for CB providers have been met.

If the MCO chooses to reduce any current ABCB or SDCB rates that are above the fee schedule, they must follow the below process that closely aligns with CMS requirements for reporting lowered fee-for-service rates, found at 42 CFR § 447.203 – Documentation of access to care and service payment rates. Specifically, MCOs must provide the following to HCA at least 60 days prior to any change (See LOD Attachment A):

- A summary of the proposed payment change, including the reason for the change
- An estimate of the total savings the rate reduction yields for the fiscal year, by procedure code, reported as total dollars and as a percentage change from the previous rate
- Information about the number of providers affected by the rate reduction, by procedure code, as appropriate
- Information about the number of members affected by the rate reduction, by procedure code, as appropriate
- Information about the number of service units furnished in the three prior fiscal years for the affected procedure code(s)
- Statement about the anticipated effect the rate reduction will have on access to services and how the MCO will monitor the impact over time, including any concerns with meeting the PCS Fulfillment required by the Delivery System Improvement Performance Target

Any rate reductions must be approved by HCA in writing prior to implementation.

The fee schedule outlined in the tables below is effective July 1, 2026. The fee schedule rates were developed using a combination of the 2026 House Bill (HB) 2 PCS funding, December 2024 ABCB Rate Study, current Developmental Disabilities Waiver rates, relevant historical service unit costs, and 2025 HB 2 legislative funding for assisted living facilities. The MCOs will work with providers to reprocess claims no later than September 1, 2026, and minimize the administrative burden on providers.

Table 1. Agency Based Community Benefit (ABCB) Recommended Fee Schedule
Procedure codes and modifiers where applicable must be billed with CB provider type 363.

Service Type	Procedure Code	Unit	Recommended Rate
Adult Day Health	S5100	15 minutes	$2.96
Assisted Living	T2031	Day	$129.83
Behavior Support Consultation	H2019	15 minutes	$31.08
Behavior Support Consultation, Clinic-Based	H2019 TT	15 minutes	$31.08
Employment Supports	H2024	Day	$321.79
Home Health Aide	S9122	Hour	$35.52
Nutritional Counseling	S9470	Hour	$88.88
Personal Care-Consumer Directed	99509	Hour	$18.20
Personal Care-Consumer Delegated	T1019	15 minutes	$5.40
Personal Care- Directed Training	S5110	15 minutes	$10.88
Personal Care- Directed Administrative Fee	G9006	Month	$201.79

Personal Care Advertisement Reimbursement Fee	G9012	1 advertisement	MCO negotiated
Private Duty Nursing for Adults, RN	T1002	15 minutes	$29.76
Private Duty Nursing for Adults, LPN	T1003	15 minutes	$19.92
Respite	99509 U1	Hour	$29.84
Respite RN	T1002 U1	15 minutes	$29.76
Respite LPN	T1003 U1	15 minutes	$19.92
Physical Therapy for Adults	G0151	15 minutes	$49.66
Occupational Therapy for Adults	G0152	15 minutes	$49.66
Speech Language Therapy for Adults	G0153	15 minutes	$49.66

For ABCB codes that are not listed, please see service descriptions and limitations in the Managed Care Policy Manual Section 8.

Table 2. Self-Directed Community Benefit (SDCB) Range of Rates
Services must be billed through the SDCB Fiscal Management Agency, Conduent, in accordance with SDCB policy. This table replaces the SDCB Range of Rates in LOD 36-1.

Service Type	Procedure Code	Unit	Minimum Rate or Range of Rates
Self-Directed Personal Care	99509	Hour	Minimum Wage - $18.20
Home Health Aide	S9122	Hour	$35.52
Customized Community Supports	S5100	15 minutes	$2.96-$9.35
Employment Supports	T2019	15 minutes	$5.10
Physical Therapy for Adults	G0151	15 minutes	$25.34-$49.66
Occupational Therapy for Adults	G0152	15 minutes	$24.82-$49.66
Speech Language Therapy for Adults	G0153	15 minutes	$25.35-$49.66
Behavior Support Consultation	H2019	15 minutes	$31.08
Private Duty Nursing – RN	T1002	15 minutes	$29.76
Private Duty Nursing – LPN	T1003	15 minutes	$19.92

Nutritional Counseling	S9470	Hour	$88.88
Respite	T1005	15 minutes	Minimum Wage - $4.30
Respite – RN	T1005	15 minutes	$29.76
Respite – LPN	T1005	15 minutes	$19.92
Respite – Home Health Aide	T1005	15 minutes	$8.88

For codes that are not listed, please see service descriptions, limitations and the SDCB Range of Rates Chart in the Managed Care Policy Manual Section 9.

This LOD will sunset when the Managed Care Policy Manual is updated.

LOD 59 Attachment A
In compliance with Turquoise Care Letter of Direction #59, any Managed Care Organization that reduces Community Benefit service rates must complete this form and return to HCA no later than **60 days** prior to effective date of the proposed change.

Please complete all information in the spaces provided and email this completed form to **Victoria Sanchez at Victoriam.sanchez@hca.nm.gov**.

Name of Managed Care Organization: _____

1. Reason for a reduction to payment rates

Procedure Code	Rationale

2. Proposed change to payment rates

Procedure Code	Current Rate	Proposed Rate

3. Estimated savings due to this/these rate reduction(s)

Procedure Code	Estimated Savings	Percentage Change

4. Number of providers impacted by this rate reduction

Procedure Code	Actual Number of Providers Before Change	Estimated Number of Providers After Change

5. Number of members impacted by this rate reduction

Procedure Code	Actual Number of Members Before Change	Estimated Number of Members After Change

6. Prior Three Fiscal Year Historical Summary of Utilization for Procedure Codes impacted by the rate reduction

Procedure Code	Year 1 Utilization	Year 2 Utilization	Year 3 Utilization

7. Statement about the anticipated effect the rate reduction will have on access to services and how the MCO will monitor the impact over time.