




**Michelle Lujan Grisham, Governor**  
Kari Armijo, Secretary  
Dana Flannery, Medicaid Director

### **Letter of Direction #69**

**Date:** November 15, 2025

**To:** Turquoise Care Managed Care Organizations

**From:** Dana Flannery, Director, Medical Assistance Division 

**Subject:** 1115 Demonstration Waiver Benefit: Traditional Healing

**Title:** Traditional Health Care Practices reimbursement

The purpose of this Letter of Direction (LOD) is to provide the Turquoise Care (TC) Managed Care Organizations (MCOs) with guidance on billing for Traditional Health Care Practices (THCP) for Native American Medicaid members. This benefit is available to any Medicaid member who is also eligible to receive services at IHS and Tribal 638 facilities.

The effective date of Traditional Health Care Practice reimbursement is October 1, 2025. Traditional healing is a system of culturally appropriate healing methods developed and practiced for generations of Tribal Healers who apply these methods for physical, mental, and emotional healing. The practices provided by traditional healers shall be in accordance with that Tribal nation's established and accepted healing practices as identified by the qualifying entity.

A Traditional Healer (TH) is a person currently recognized as a traditional leader in good standing with a Native American Tribe, Nation, Pueblo or Band, and with two years of experience as a recognized Native American spiritual leader practicing in a setting recognized by a Native American Tribe, Nation, Pueblo or Band, who is contracted or employed by the Indian Health Service (IHS), Tribal facilities or Urban Indian program (ITU). A Traditional Healer is a person with knowledge, skills and practices based on the cultural beliefs and experiences which are accepted by that Tribal community as handed down through the generations and which can be established through the collective knowledge of the elders of that Tribal community.

A Natural Helper (NH) is a health advisor contracted or employed by Indian Health Service (IHS), Tribal facilities or an Urban Indian program (ITU) who seeks to deliver health, recovery, and social support in the context of Tribal cultures. A Natural Helper could be a spiritual leader, elected official, paraprofessional or other individual who is a trusted member of a Native American Tribe, Nation, Pueblo or Band. The Natural Helper can work under the traditional healer as a helper.

Providers of traditional health care practices must be employed or contracted by IHS, Tribal 638 facilities or Urban Indian facilities. Each qualifying facility is responsible for determining that each practitioner, provider or provider staff member employed by or contracted with the facility to provide THCP

- i. Is qualified to provide THCP to the facility's patients, and

- ii. Has the necessary experience and appropriate training. The qualifying facility is also expected to establish methods for determining whether its employees or contractors are qualified to provide THCP and bill Medicaid for those THCP furnished by employees or contractors who are qualified to provide them and provide documentation to the state about these activities upon request.

## **1. Provider Requirements**

- a. Must be enrolled in New Mexico Medicaid or Provider Type 221 (I/T/Us as defined by the State of NM) and have active enrollment with New Mexico Medicaid to be reimbursed for services. Enrollment must be completed through the YesNM Portal at: [https://yes.nm.gov/nmhr/s/providers-and-ped?language=en\\_US](https://yes.nm.gov/nmhr/s/providers-and-ped?language=en_US)
- b. Provider Type, Specialty Code Taxonomy Matrix, and Provider Enrollment training resources are available to providers with YesNM accounts through the Learning Management System at: [https://yes.nm.gov/nmhr/s/providers-and-ped?language=en\\_US](https://yes.nm.gov/nmhr/s/providers-and-ped?language=en_US)
- c. Must be able to receive referrals from providers and Turquoise Care MCOs for Medicaid members who are requesting this benefit. A list of IHS and Tribal facilities offering this benefit will be provided.
- d. Must comply with the traditional practice guidelines outlined by the Tribe/Nation/Pueblo.
- e. Traditional healers and natural helpers must follow all documentation requirements as outlined by the Tribe/Nation/Pueblo.

## **2. Eligible Members:**

- a. American Indian and Alaska Native individuals enrolled in Medicaid full benefit category of eligibility and eligible for IHS or Tribal facilities can access these new Medicaid benefits upon referral from a health care practitioner. Services are reimbursable for both Fee-for-Service and Managed Care Medicaid members who are eligible to receive care at participating Indian Health Service or Tribal facilities. Providers are responsible for verifying Medicaid eligibility before providing services using the current Medicaid provider claims system.

## **3. Covered Services**

- a. Screening and admission,
- b. Orientation,
- c. Assessment,
- d. Traditional Healing Treatment Plan,
- e. Translate and interpret, and
- f. Provide follow-up services

## **4. Billing and Reimbursement**

- a. Claim Type: Claims must be submitted on a UB-04 claim form for American Indian/Alaska Native (AI/AN) recipients.
- b. Diagnosis Codes: Claims must contain physical health, behavioral health, or substance use disorder diagnosis codes.

- c. The NPI of the clinic or the hospital must be entered in the billing provider field on the claim form.
- d. Use taxonomy code 282N00000X.
- e. Use Revenue Code (i.e. 0919 for behavioral health services, 0519 for outpatient physical health, 0529 for outpatient physical health services in a Tribal FQHC). e. Procedure codes – H0051 (Traditional healer) T1016 (Natural helper)
- f. MCOs must reimburse at the OMB rate.
- g. Services can be provided via telehealth in accordance with NMAC 8.310.12.M and may be billed with one of the following modifiers:
  - i. GT – interactive communication
  - ii. 95 – Synchronous Telemedicine Service Rendered via real-time interactive audio and video telecommunications systems.
- h. Services can be rendered in any place of service as directed by CMS including outside the 4 walls of the clinic.
- i. Reimbursement limitations – A Traditional Healer (TH) can bill one OMB rate per day per Medicaid member. A Natural Helper (NH) can bill one OMB rate per day per Medicaid member also. Services can also be offered in a group setting. For an inpatient, traditional healing is included in the daily OMB rate for inpatient services and can't be billed separately.
- j. No prior authorization is required for TH or NH services.
- k. There is no limit on the number of OMB rates that can be billed for a member in a month.
- l. MCOs must work collaboratively with IHS and Tribal facilities to support TH enrollment, contracting, billing, and to streamline provider administrative burden whenever possible.
- m. Billing for non-AI/AN members will be billed on the CMS 1500 claim form at the current fee schedule rate using procedure code H0051. This is not reimbursed at the OMB rate.

This LOD will sunset with the incorporation into the MAD Managed Care Policy Manual.