HEALTH CARE AUTHORITY

Michelle Lujan Grisham, Governor
Kari Armijo, Secretary
Alex Castillo Smith, Deputy Secretary
Kathy Slater Huff, Deputy Secretary
Niki Kozlowski, Acting Deputy Secretary
Alanna Dancis, Acting Medicaid Director

January 21, 2026

Courtney Miller, Director
CMS/Center for Medicaid & CHIP Services
Medicaid & CHIP Operations Group
601 E. 12th St., Room 355
Kansas City, MO 64106

Dear Ms. Miller:

Enclosed, please find documents related to New Mexico State Plan Amendment (SPA) 26-0001, *House Bill (HB) 2- 2025 Rate Increases for Specific Dental Services and Free-Standing Birth Centers,* effective January 1, 2026.

New Mexico is requesting to increase provider rates for dental services and free-standing birth centers.

The estimated financial impact for dental rate increases is $186,300 in federal funds for FFY26 and $247,700 in federal funds for FFY27.

The estimated financial impact to update free-standing birth center rate methodology is $0 in federal funds for FFY26 and $0 in federal funds for FFY27. Based on Fee-For-Service utilization for Calendar Years 2023 and 2024, there is zero federal budget impact.

The HCA followed a process that included public notification, tribal notification, and web posting. Documentation of these activities is attached, along with the transmittal form and supporting SPA materials.

We appreciate your consideration of this state plan amendment. Should you have any questions, please contact Valerie Tapia at: Valerie.Tapia@hca.nm.gov or (505) 257-8420.

Sincerely,

Alanna Dancis
Acting Medicaid Director

cc: Dana Brown, CMS

DEPARTMENT OF HEALTH ANDHUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

FORM APPROVED
OMB No. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

1. TRANSMITTAL NUMBER: 26 — 0001

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
1/1/2026

5. FEDERAL STATUTE/REGULATION CITATION
42 CFR 447 Subpart F; 42 CFR 440.100; 42 USC 1396d(l) (3)

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2026 $ 186,300
b. FFY 2027 $ 247,700

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Attachment 4.19 B, Page 2-2a
Attachment 4.19 B, Page 3a - 3a.1

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*
Attachment 4.19B, Page 2-2a
Attachment 4.19B, Page 3a - 3a.1

9. SUBJECT OF AMENDMENT
Dental Services and Licensed Birth Center Provider Rate Increases, grammatical updates, and added CMS' templated language to ensure uniformity.

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:
Delegated to the Acting Medicaid

11. SIGNATURE OF STATE AGENCY OFFICIAL

12. TYPED NAME
Alanna Dancis

13. TITLE
Acting Medicaid Director, Medical Assistance Division

14. DATE SUBMITTED
1/21/2026

15. RETURN TO
Alanna Dancis
Medical Assistance Division
P.O. Box 2348
Santa Fe, NM 87504-2348

FOR CMS USE ONLY

16. DATE RECEIVED

17. DATE APPROVED

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL

21. TITLE OF APPROVING OFFICIAL

22. REMARKS

Instructions on Back

The average commercial rates are determined by:

i. Calculating a commercial payment to charge ratio for all services paid to the eligible providers by commercial insurers using the providers' claims-specific data from the most currently available fiscal year period.
ii. Multiplying the Medicaid charges by the commercial payment to charge ratio to establish the estimated commercial payments to be made for these services; and
iii. Subtracting interim Medicaid payments already made for these services to establish the supplemental payment amount.

c. Providers eligible under Part (a) of this section will be paid on an interim claims-specific basis through the Department's claims processing system using the methodology outlined elsewhere in this state plan. The supplemental payment, which represents final payment for services, will be made on a quarterly basis subject to available claims data.

A. Medical and Dental Services

Medical and dental services are reimbursed on a fee schedule basis and include physicians, dentists, radiologists and radiological facilities, licensed treatment and diagnostic centers and family planning clinics, podiatrists, optometrists, and certified nurse midwives and certified nurse practitioners working under the direction of a physician.

Preventive services provided to alternative benefit plan recipients not otherwise covered under standard Medicaid benefits are also reimbursed using this methodology including annual preventive care physicals, expanded nutritional and dietary counseling, and expanded skin cancer and tobacco use counseling. Electroconvulsive therapy services provided to alternative benefit plan recipients not otherwise covered under standard Medicaid benefits are paid at the Medicare fee schedule rate.

Services rendered under the supervision of one of the above providers are paid at the fee schedule rate for the supervising provider when the service is performed by one of the following: a dietician; clinical pharmacist; physician assistant; dental hygienist; nurse; certified nurse practitioner; or clinical nurse specialist.

Except as otherwise noted in the State Plan, state developed fee schedule rates are the same for both governmental and private providers. The provider rates, set as of January 1, 2026, are effective for these services provided on or after that date. All rates are published on the New Mexico Medicaid website at https://www.hca.nm.gov/providers/fee-schedules/. Notice of changes to rates will be made as required by 42 CFR 447.205.

RESERVED

4. Licensed Midwives (Lay Midwives): Payments to licensed midwives are reimbursed at 100% of the physician fee schedule as described in Item I. A of Attachment 4.19-B for global delivery codes.

   Except as otherwise noted in the State Plan, state-developed fee schedule rates are the same for both governmental and private providers. The fee schedule, set as of January 1, 2025, is effective for services provided on or after that date. All rates are published on the New Mexico Medicaid website at https://www.hca.nm.gov/providers/fee-schedules/. Notice of changes to rates will be made as required by 42 CFR 447.205.

5. Chiropractic Services: Effective October 1, 2024, chiropractic services are covered for all individuals pursuant to 440.60(b). Chiropractor services are provided by a licensed chiropractor and consist of treatment by means of manual manipulation of the spine that the chiropractor is legally authorized by the State to perform. Payments to New Mexico chiropractic licensed providers are reimbursed at 100% of the physician fee schedule with an annual benefit limit of $2,000.

   Except as otherwise noted in the State Plan, state-developed fee schedule rates are the same for both governmental and private providers. The fee schedule, set as of October 1, 2024, is effective for services provided on or after that date. All rates are published on the New Mexico Medicaid website at https://www.hca.nm.gov/providers/fee-schedules/. Notice of changes to rates will be made as required by 42 CFR 447.205.

6. Doula Services: Effective October 1, 2024, Doula services are covered for all individuals navigating pregnancy-related care before, during, and after a pregnancy or childbirth.

   Except as otherwise noted in the State Plan, state-developed fee schedule rates are the same for both governmental and private providers. The fee schedule, set as of October 1, 2024, is effective for services provided on or after that date. All rates are published on the New Mexico Medicaid website at https://www.hca.nm.gov/providers/fee-schedules/. Notice of changes to rates will be made as required by 42 CFR 447.205.

7. Lactation Provider Services: Effective October 1, 2024, Lactation Provider services are covered for all individuals who need access to education and management to prevent and solve breastfeeding problems and encourage support for breastfeeding mothers and infants.

   Except as otherwise noted in the State Plan, state-developed fee schedule rates are the same for both governmental and private providers. The fee schedule, set as of October 1, 2024, is effective for services provided on or after that date. All rates are published on the New Mexico Medicaid website at https://www.hca.nm.gov/providers/fee-schedules/. Notice of changes to rates will be made as required by 42 CFR 447.205.

C. Other Services

1. Ambulatory Surgical Centers Services: Free-standing ambulatory surgical centers are paid according to the Medicare fee schedule. For procedures not covered by Medicare, the Department establishes a fee schedule amount equivalent to the amount allowed for procedures of similar complexity.

   Except as otherwise noted in the State Plan, state-developed fee schedule rates are the same for both governmental and private providers. The fee schedule, set as of January 1, 2025, is effective for services provided on or after that date. All rates are published on the New Mexico Medicaid website at https://www.hca.nm.gov/providers/fee-schedules/. Notice of changes to rates will be made as required by 42 CFR 447.205.

2. Renal Dialysis Facilities: Renal dialysis facilities are paid according to the Medicare fee schedule. For procedures not covered by Medicare, the Department establishes a fee schedule amount equivalent to the amount allowed for procedures of similar complexity.

   Except as otherwise noted in the State Plan, state-developed fee schedule rates are the same for both governmental and private providers. The fee schedule, set as of January 1, 2025, is effective for services provided on or after that date. All rates are published on the New Mexico Medicaid website at https://www.hca.nm.gov/providers/fee-schedules/. Notice of changes to rates will be made as required by 42 CFR 447.205.

3. Licensed Birth Centers: Licensed birth centers are paid according to the Medicaid fee schedule.

   Except as otherwise noted in the State Plan, state-developed fee schedule rates are the same for both governmental and private providers. The fee schedule, set as of January 1, 2026, is effective for services provided on or after that date. All rates are published on the New Mexico Medicaid website at https://www.hca.nm.gov/providers/fee-schedules/. Notice of changes to rates will be made as required by 42 CFR 447.205.