




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

Letter of Direction #38-1

Date: August 28, 2025

To: Turquoise Care Managed Care Organizations

From: Dana Flannery, Director, Medical Assistance Division 

Subject: Repeal and Replace Letter of Direction #38: Implementation of Community Health Workers and Community Health Representatives

Title: Community Health Workers and Community Health Representatives Benefit

This Letter of Direction (LOD) repeals and replaces LOD #38 issued on December 5, 2024. The New Mexico Health Care Authority, Medical Assistance Division (HCA/MAD) is issuing this LOD to managed care organizations (MCOs) as guidance in implementing reimbursement to increase access to Community Health Workers and Community Health Representatives (CHW/R) services effective from August 1, 2025.

A CHW is an individual who works under the American Public Health Association's definition of a CHW. CHWs are frontline public health workers who are trusted members of the communities they serve. CHWs function as a link between health and social services and communities to facilitate access to services and improve the quality and cultural competence of service delivery.

A CHR is an individual who has completed an approved CHR training program through the Indian Health Service (IHS) and meets the IHS definition of a CHR. New Mexico Medicaid recognizes that CHRs are an integral part of tribal communities.

Both CHWs and CHRs (CHW/R) must obtain credentialing through the New Mexico Department of Health Office of Community Health Workers (OCHW) before becoming enrolled with the Medicaid program.

1. Provider Requirements

- a. Agencies and individuals providing CHW/R services must have an 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/ped-registration?language=en_US.
 - i. Provider Type & Specialty Code Taxonomy Matrix and Provider Enrollment training resources can be accessed by Providers with YesNM accounts through the Learning Management System at: <https://nm-bms-lms.percipio.com/>.
 - ii. Providers will complete a renderer/sole proprietor application, which will allow them to affiliate with an enrolled billing entity, or as a sole proprietor

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where they can bill on their own behalf.

- iii. Entities establishing to bill on behalf of rendering only providers will need to complete a group application if not already enrolled in the provider system, which will allow service only providers to affiliate with them.
 - iv. Affiliation requests must be accepted for affiliation to be completed.
 - v. Complete Medicaid enrollment as a Provider Type 462 and Provider Specialty 230.
- b. Upload the certification letter issued by the New Mexico Department of Health (DOH) OCHW that an individual may bill Medicaid to the YesNM portal to complete the Medicaid enrollment application.
 - c. Once enrolled as a Medicaid provider, CHW/Rs must engage Turquoise Care MCOs to establish provider participation agreements, and to register as a billing paraprofessional before submitting claims for reimbursement for CHW/R services provided to Medicaid managed care members.
 - d. CHW/Rs must follow all documentation requirements as outlined in this LOD as well as documentation requirements under the provider agreement with the MCO(s). CHW/Rs must work under an order from a physician or ordering licensed practitioner. CHW/Rs working independently of a physician or ordering licensed practitioner must complete and retain a New Mexico Statewide Standing Order Form for CHW/R for each service encounter provided for an eligible member.
 - i. The standing order can be found at New Mexico Medicaid Portal:
<https://nmmedicaid.portal.conduent.com/static/ProviderInformation.htm#FormsPubs>
 - ii. Standing Orders may be subject to review and auditing from the HCA or the DOH OCHW. See the Documentation section (3.b) for further information.

2. Eligible Recipient Requirements

Individuals must have a New Mexico Medicaid full benefit category of eligibility. Individuals with limited Medicaid benefits and/or members who do not meet medical necessity criteria are not eligible for coverage of CHW/R services. Members with Medicare and a Medicaid limited coverage category cannot be reimbursed under Medicaid for CHW/R services. CHW/Rs are responsible for verifying the recipient's Medicaid eligibility before providing services using the New Mexico Medicaid Portal.

3. Covered Services

CHW/R services will be reimbursed for Medicaid eligible recipients, when the services adhere to the quality guidelines as set out by the DOH OCHW, and when the services are medically necessary. CHW/R scope of services include system navigation, health promotion and health coaching, and clinical support.

a. Scope of Services:

- i. System Navigation
 - 1. Address basic needs such as food, shelter, and safety.
 - 2. Navigate the health and social service system.
 - 3. Facilitate enrollment in health programs and services.
 - 4. Translate and interpret.
 - 5. Arrange transportation.

- ii. Health Promotion and Health Coaching
 - 1. Identify individual strengths and needs.
 - 2. Set goals and provide action planning.
 - 3. Teach health promotion and prevention.
 - 4. Coach on problem solving, self-care, and self-management.
 - 5. Utilize harm reduction principles.
 - 6. Support and model behavior change.
 - 7. Promote understanding of health information and health education materials.
 - 8. Promote self-sufficiency.
 - 9. Lead educational and support groups.
 - 10. Teach families how to self-advocate.
 - 11. Connect members to community resources.
- iii. Clinical Support
 - 1. Conduct home safety assessments.
 - 2. Measure and respond to vital signs when the CHW/R has been certified for this specialty.
 - 3. Promote follow-up/maintenance of medical treatment plans.
 - 4. Provide feedback to medical providers.
 - 5. Coordinate referrals, care, and follow-up.
- b. **Physician or Ordering Licensed Practitioner Order/Documentation:** CHW/R services must be ordered by a physician or ordering licensed practitioner. This shall be documented in the member's medical record.
 - i. CHW/R's working independently from a physician or an ordering licensed practitioner must complete a New Mexico Standing Order Form for CHW/Rs for each member and each date of service. The standing order is signed by the Chief Medical Officer of the HCA/MAD. Standing orders are not required to be submitted with claims; however, completed orders must be retained and reproducible for potential auditing by the HCA or DOH.
 - ii. Each CHW/R service provided must be appropriately documented. Services that are not documented may be subject to payment recoupment in the event of an audit.
 - iii. The following documentation, at a minimum, must be collected and maintained:
 - 1. Recipient/member name
 - 2. Date of service
 - 3. Recipient/member date of birth
 - 4. Recipient/member Medicaid number
 - 5. Name and NPI of the individual providing the service
 - 6. Type of service(s) performed
 - 7. ICD-10 diagnosis code(s) (See Appendix A for allowable z-codes for primary and secondary diagnoses for CHW/R services)
 - iv. Prior authorization requests must be submitted to HCA or MCOs for services that exceed 16 units or 8 hours per 30-day period.

4. Non-Covered Services

CHW/R benefit includes preventive physical, behavioral health, and case management services, as defined in 42 CFR 440.130(c), to prevent disease, disability, and other health conditions or their progression and to promote physical and mental health and efficiency. Activities that do not fall within this benefit include:

- a. Population health activities such as community outreach, community organizing, community needs assessments, and community advocacy.
- b. Duplicative services such as care coordination activities including performing Health Risk Assessments and Comprehensive Needs Assessments.
 - i. These services may be covered separately when a contract is in place with an MCO to take this responsibility on as a delegated care coordination entity.
- c. Transportation of members.
- d. Personal and in-home care services such as childcare, assistance with activities of daily living, and housekeeping.

5. Billing

- a. Claims must be submitted on CMS-1500 claim form, or electronic equivalent. Federally qualified health centers (FQHCs) may submit and be reimbursed for eligible CHW/R services on a CMS-1500, or electronic equivalent, separate from the FQHC prospective payment system rate.
 - i. Under taxonomy 172V00000X.
 - ii. CHW/R's individual NPI number must be entered in the "rendering provider" field on the claim form.
 - iii. For CHW/Rs providing services through a clinic, the NPI number for the clinic must be entered in the billing provider field on the claim form.
 - iv. For independent CHW/Rs, the practitioner NPI must be entered in both the Rendering and Billing fields of the claim.
- b. MCOs must reimburse at a minimum of the posted fee schedule rate.
- c. The following Current Procedural Terminology (CPT) codes may be billed by CHW/Rs:

Procedure Code	Description
98960	Education and training for patient self-management, each 30 minutes
98961	Education and training for patient self-management, 2-4 patients, each 30 minutes
98962	Education and training for patient self-management, 5-8 patients, each 30 minutes

- d. Claims must include specified Z codes as primary or secondary diagnosis codes, as specified in Appendix A.
- e. A CHW/R service provided via telehealth in accordance with NMAC 8.310.2.12.M may be billed using one of the following modifiers:
 - i. GT: Interactive telecommunication (or)
 - ii. 95: Synchronous Telemedicine Service Rendered via Real-Time Interactive Audio and Video Telecommunications System.
- f. Services can be rendered in any place of service (POS) as directed by CMS POS list

<https://www.cms.gov/medicare/coding-billing/place-of-service-codes/code-sets>. The POS code shall be included to specify where the service(s) were rendered.

- g. Reimbursement limitations:
 - i. A CHW/R is limited to 10 units or 5 hours per day of member-facing time.
 - ii. A member is limited to 16 units or 8 hours per 30-day period, without prior authorization.
 - iii. Prior authorization is required for services that exceed 16 units or 8 hours per 30-day period.
- h. **Medicare Coverage:** Medicare covers Community Health Integration (CHI) services effective January 1, 2024. Medicare must be billed as the primary payor for CHW/R services per Medicare guidelines for CHI, if applicable. CHW/Rs may bill Medicaid first for CHW/R services if the recipient has insurance that would otherwise be primary but is not Medicare.
- i. MCOs must work collaboratively with prospective CHW/Rs to support enrollment, contracting, billing, authorization, and streamline provider administrative burden where possible.

This LOD will sunset upon inclusion in the MCO Policy Manual.



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Appendix A

All diagnostic codes in this appendix are to be accepted as a primary diagnosis on claims for CHW/R services when indicated as “Yes-Primary” in the CHW/R column on the right. Codes not included in this Appendix and not listed as “Yes-Primary” will not be covered. For codes indicating “Not Covered” this is intended to direct the ordering licensed practitioner to select a code that contains a greater level of detail.

Diagnosis Code	Diagnosis Description	CHW/R
Z55	Problems Related to Education And Literacy	Not Covered
Z55.0	Illiteracy and Low-Level Literacy	Yes-Primary
Z55.2	Failed School Examinations	Yes-Primary
Z55.3	Underachievement In School	Yes-Primary
Z55.4	Educational Maladjustment & Discord With Teachers & Classmates	Yes-Primary
Z55.5	Less Than A High School Diploma	Yes-Primary
Z55.6	Problems Related to Health Literacy	Yes-Primary
Z55.8	Other Problems Related To Education And Literacy	Yes-Primary
Z56	Problems Related to Employment And Unemployment	Not Covered
Z56.0	Unemployment, Unspecified	Yes-Primary
Z56.89	Other Problems Related To Employment	Yes-Primary
Z56.9	Unspecified Problems Related To Employment	Yes-Primary
Z58	Problems Related To Physical Environment	Not Covered
Z58.6	Inadequate Drinking-Water Supply	Yes-Primary
Z58.89	Other Problems Related To Physical Environment	Yes-Primary
Z59	Problems Related To Housing and Economic Circumstances	Not Covered
Z59.0	Homelessness Unspecified	Not Covered
Z59.01	Sheltered Homeless	Yes-Primary
Z59.02	Unsheltered Homelessness	Yes-Primary
Z59.10	Inadequate Housing, Unspecified	Yes-Primary
Z59.12	Inadequate Housing Utilities	Yes-Primary
Z59.19	Other Inadequate Housing	Yes-Primary
Z59.41	Food Insecurity	Yes-Primary



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Diagnosis Code	Diagnosis Description	CHW/R
Z59.48	Other Specified Lack of Adequate Food	Yes-Primary
Z59.5	Extreme Poverty	Yes-Primary
Z59.6	Low Income	Yes-Primary
Z59.7	Insufficient Social Insurance And Welfare Support	Not Covered
Z59.811	Housing Instability, Housed, With Risk of Homelessness	Yes-Primary
Z59.812	Housing Instability, Housed, Homelessness In Past 12 Months	Yes-Primary
Z59.82	Transportation Insecurity	Yes-Primary
Z59.89	Other Problems Related To Housing And Economic Circumstances	Yes-Primary
Z60	Problems Related To Social Environment	Not Covered
Z60.0	Problems of Adjustment To Life- Cycle Transitions	Yes-Primary
Z60.2	Problems Related To Living Alone	Yes-Primary
Z60.3	Acculturation Difficulty	Yes-Primary
Z60.4	Social Exclusion and Rejection	Yes-Primary
Z60.8	Other Problems Related to Social Environment	Yes-Primary
Z62	Problems Related to Upbringing	Not Covered
Z62.9	Problem related to upbringing, unspecified	Yes-Primary
Z63	Other Problems Related to Primary Support Group, Including Family Circumstances	Not Covered
Z63.9	Problem related to primary support group, unspecified	Yes-Primary