



Susana Martinez, Governor
Brent Earnest, Secretary
Nancy Smith-Leslie, Director

February 24, 2017

RE: This is a public notice to request comments on the proposed coverage of New Mexico Licensed Birth Centers.

The New Mexico Human Services Department is providing this notice for the purpose of receiving public comment on proposed coverage of Licensed Birth Centers under Medical Assistance Program rules; the proposed fee schedule rate; and the draft State Plan Amendment.

In 2015, State legislation allowed for the licensure of freestanding birth centers, which was followed in 2016 with the Department of Health (DOH) implementing licensing standards. Under the rules of the federal Centers for Medicare and Medicaid Services (CMS), state Medicaid programs may enroll a birth center that is licensed by a state agency as a Medical Assistance provider.

HSD proposes to reimburse a Licensed Birth Center at a fee schedule amount of \$1,400 for a birth, which includes all of the supplies, medications, laboratory, radiology, and other services provided during the birth for the mother and the newborn. This rate does not include payment for the delivery procedure itself, or for other professional services which are paid to the certified nurse midwife or licensed midwife practitioner in accordance with existing rules.

This amount was developed after comparison to rates paid by other states and is approximately 47% of the payment that would be paid to a licensed hospital by the Medical Assistance program and its contracted managed care organizations. If the birth is not completed at the Licensed Birth Center because the mother is transferred to a hospital during the procedure, the payment would be 50% of the fee schedule amount. For a false labor event, the payment would be 10% of the fee schedule amount.

Because numerous studies have shown that use of Licensed Birth Centers is a cost-effective service, it is not anticipated that there will be any increased costs overall in the Medicaid program. Because a Licensed Birth Center is an addition to the types of providers paid by the Medicaid program, it is not anticipated that there will be any negative impact to access to care associated with the change.

The primary reason for this change is to provide more options to pregnant women for birthing choices, and because it is consistent with Section 2301 of the Affordable Care Act, which encourages Medicaid coverage of freestanding birth centers.

Adding coverage of Licensed Birth Centers to the New Mexico Medical Assistance program as a provider requires a State Plan Amendment that CMS must approve. A draft of that State Plan Amendment is available as indicated below. It is the intent of HSD to file the State Plan Amendment by March 31, 2017, requesting a retroactive effective date of January 1, 2017. The effective date of the proposed change will be January 1, 2017, or as otherwise approved by CMS.

OPPORTUNITY TO VIEW DOCUMENTS AND MAKE COMMENTS:

Medicaid providers, Medicaid recipients, and other interested parties are invited to make comments on this proposal.

Draft State Plan Amendments (SPAs), may be found on the Department's website at:

<http://www.hsd.state.nm.us/public-notices-proposed-rule-and-waiver-changes-and-opportunities-to-comment.aspx>.

SPA 17-002 Licensed Birth Centers

A written copy of these proposed documents may be requested by contacting the HSD Medical Assistance Division (HSD/MAD) in Santa Fe at (505) 827-6252.

Recorded comments may be left by calling (505) 827-1337. Electronic comments may be submitted to madrules@state.nm.us. Written, electronic and recorded comments will be given the same consideration as oral testimony. **All comments must be received no later than 5:00 p.m. MDT, March 29, 2017.** Written or e-mailed comments are preferred because they become part of the record associated with these changes.

Interested persons may address written comments to:

Human Services Department
Office of the Secretary
ATTN: Medical Assistance Division Public Comments
P.O. Box 2348
Santa Fe, New Mexico 87504-2348

Copies of all comments will be made available by HSD/MAD upon request by providing copies directly to a requestor or by making them available on the HSD/MAD website or at a location within the county of the requestor.