



State of New Mexico  
Medical Assistance Program Manual  
**Supplement**



**DATE: November 19, 2009**

**NUMBER: 09-14**

**TO:** ALL PERSONAL CARE OPTION PROVIDERS PARTICIPATING IN THE NEW MEXICO MEDICAID PROGRAM AND MEDICAID MANAGED CARE ORGANIZATIONS

**FROM:** CAROLYN INGRAM, DIRECTOR, MEDICAL ASSISTANCE DIVISION

**SUBJECT: REDUCTION IN MEDICAID PAYMENTS FOR PERSONAL CARE SERVICES EFFECTIVE DECEMBER 1, 2009.**

Effective with dates of service December 1, 2009, there will be a change in the reimbursement for personal care option services.

Due to a serious shortfall in state revenues largely related to gas and oil taxes, many state program budgets are either being reduced or not sufficiently increased to cover current program costs. The New Mexico Medicaid program budget is no exception. Program costs are outpacing available revenues. Therefore, the Medicaid program is reducing provider rates by amounts that still assure provider reimbursement is reasonable.

The Human Services Department submitted to the Medicaid Advisory Committee options available to New Mexico Medicaid. The input received from this group proved invaluable as Medicaid moved forward with the decision-making process.

A great deal of analysis went into various options and input from numerous stakeholders was given serious consideration. Throughout the process, Medicaid adhered to the goals of better controlling the growth in costs while: 1) protecting children as much as possible; 2) limiting benefits before reducing eligibility; and, 3) utilizing revenue enhancements that federal contributions help fund.

Even with the implementation or planned implementation of many of the other studied options, it is still necessary to implement a reduction in reimbursement to providers as part of the solution to address the serious budget situation.

The following describes how providers will be affected by the reduction. These changes are applicable to all services provided to members in a fee for services or managed care program. The managed care organizations contracted for the CoLTS program will be required to likewise

reduce reimbursement levels as applicable consistent with the effective date published in this notice.

**A. TREATING CRIMINAL BACKGROUND CHECKS AS A COST OF DOING BUSINESS**

Effective with dates of service beginning December 1, 2009, the PCO Criminal Background Check billed using code S5199 (no modifier) will be considered to be cost of doing business covered by the overall payment for the ongoing personal care service. Code S5199 (no modifier) will no longer be reimbursed as a separate additional payment. The requirement for performing criminal background checks remains unchanged.

Reductions in total provider payments associated with this change are estimated to be approximately \$325,000 annually.

**B. REDUCTIONS FOR ONGOING PERSONAL CARE SERVICES**

Reimbursement for codes 99509 and T1019 for ongoing attendant care will be reduced.

Code T1019 will be reduced from \$3.29 per 15-minute unit to \$3.22 which is approximately a 2.2% reduction that equates to 28 cents per hour.

Code 99509 will be reduced from \$12.63 per hour unit to \$12.35 which is approximately a 2.2% reduction that equates to 28 cents per hour.

Total reductions in provider payments associated with this change are estimated to be approximately \$5.5 million annually.

**C. BILLING FOR SERVICES**

Effective with dates of service beginning December 1, 2009, providers should cease billing for code S5199 (no modifier) and should bill codes T1019 and 99509 at the rates indicated above, plus tax when applicable.

**D. COMMENTS**

Providers may view the proposed rates or percent reductions on the MAD website by clicking on the "Provider Information" bullet and selecting "Fee for Service" from the drop down list which links to the following web page:

<http://www.hsd.state.nm.us/mad/PFeeSchedules.html>

Even though the effective date of the change is December 1, 2009, the Medical Assistance Division will receive comments on this reduction through February 5, 2010, to allow sufficient time for interested parties to submit comments. The Medical Assistance Division will review all comments and shall notify providers of any changes that are made due to the comments as well as make any retroactive adjustments to claims that may be necessary.

Copies of all comments will be made available by the Medical Assistance Division upon request by providing copies directly to a requestor or by making them available on the

MAD website or at a location within the county of the requestor. Contact the Medical Assistance Division as indicated below.

**E. CONTACTING MEDICAL ASSISTANCE DIVISION (MAD) PROGRAM STAFF**

Written or e-mailed comments are preferred because they become part of the record associated with this change.

Written comments may be sent to:  
Long-Term Services and Support Bureau  
HSD/Medical Assistance Division  
PO Box 2348  
Santa Fe, NM 87504-2348

E-mail comments may be sent to:  
Tabitha.Mondragon@state.nm.us

However, if you have questions regarding the above information, you may contact the Long-Term Services and Support Bureau at (505) 827-3186.

We appreciate your participation in the Medicaid program and look forward to a time of improved economic conditions within the state.