



State of New Mexico
Medical Assistance Program Manual
Supplement



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NUMBER:09-12

TO: ALL ACCREDITED AND NON-ACCREDITED RESIDENTIAL TREATMENT CENTERS AND GROUP HOMES 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 SERVICES EFFECTIVE DECEMBER 1, 2009.

Effective with dates of service December 1, 2009, there will be reductions in payment rates for accredited residential treatment centers (ARTCs), non-accredited residential treatment centers (RTC's), and group homes.

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.

Provider payments will be affected as described below. The managed care organization contracted for the BH SE program will be required to likewise reduce reimbursement levels as applicable consistent with the effective date published in this notice.

A. ACCOMMODATION RATES

Effective with dates of services beginning December 1, 2009, all daily accommodation rates for ARTC, RTC, and group homes will be reduced by ten percent (10%).

As a result of this change, total reductions in payment are estimated to be \$2,000,000 annually for the Medicaid fee for service program and managed care program together.

B. BILLING FOR SERVICES

Provider billing procedures will not change as a result of implementing these changes. The reduction will be reflected in provider payments but does not require changes on the part of the provider.

C. 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.

D. 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:
Benefit Services 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

If you have questions regarding the above information, you may contact the Benefits Bureau at (505) 827-3171.

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