

July 1, 2016

Dear Healthcare Practitioner and Staff Members:

UPDATED INFORMATION – MEDICAID FEE SCHEDULE

Presbyterian Health Plan, Inc. and Presbyterian Insurance Company, Inc. (Presbyterian) are dedicated to providing updated information to our network as soon as it is available. This communication is to provide you with additional details of the impending reductions in the fee schedule for Medicaid, which impacts reimbursement for Presbyterian Centennial Care claims with dates of service on or after July 1, 2016.

As you may be aware, the state of New Mexico is facing a significant budget shortfall in Medicaid. The New Mexico Human Services Department (HSD) issued a proposed Supplement to notify managed care organizations about a reduction of Medicaid expenditures in an attempt to close the budget gap. You should have already received two notifications from Presbyterian related to this Supplement.

HSD released the final Supplement on June 29, 2016. Several sections of the Supplement provide updates that address specific rate changes. Eleven distinct sections and updates are outlined as follows:

1. Current professional fee schedule allowables less than 90 percent of current Medicare

UPDATE – This reduction will not be implemented until August 1, 2016.

There will be a two percent (2%) reduction for all services where the current Medicaid allowable is less than 90 percent of the current Medicare allowable. This will impact all services excluding preventative and obstetrical services.

2. Current professional fee schedule allowables between 90 and 100 percent of current Medicare

UPDATE – This reduction will not be implemented until August 1, 2016.

There will be a four percent (4%) reduction for all services where the current Medicaid allowable is between 90 percent and 100 percent of the current Medicare allowable. This will impact all services excluding preventative and obstetrical services.

3. Current professional fee schedule allowables greater than 100 percent of current Medicare

UPDATE – This reduction will not be implemented until August 1, 2016.

There will be a six percent (6%) reduction for all services where the current Medicaid allowable is greater than 100 percent of the current Medicare allowable. If after the six percent (6%) reduction, the Medicaid allowable remains above 94 percent of the Medicare allowable, the code allowable will be reduced to 94 percent of Medicare. This will impact all services excluding preventative and obstetrical services.

4. Affordable Care Act (ACA) enhanced primary care provider payments

All enhanced primary care provider (PCP) payments that were issued on a quarterly basis will be discontinued.

5. **Increase to certain preventative service codes**

UPDATE – This increase will not be implemented until August 1, 2016.

Certain preventative service codes will be *increased* by five percent (5%) to allow providers to be fairly compensated for providing these services. The preventative services codes that will be increased are:

- New patient CPT codes 99381, 99382, 99383, 99384, and 99385, and
- Established patient CPT codes 99391, 99392, 99393, 99394, and 99395.

6. **Reduction to all inpatient services**

UPDATE – The reduction will be implemented July 1, 2016, but UNM will also be reduced by five percentage points (5%).

Hospital outlier payments will also be reduced by five percent (5%).

All hospital inpatient services will be reduced by five percent (5%) with the exception of the University of New Mexico Hospital (UNM), which will be reduced by eight percent (8%). Inpatient rates for psychiatric units will not be impacted.

7. **Reduction to all outpatient services**

UPDATE – The reduction will be implemented July 1, 2016, but UNM will also be reduced by three percentage points (3%).

All hospital outpatient services will be reduced by three percent (3%) with the exception of the UNM, which will be reduced by five percent (5%).

8. **Reduction to safety net care pool (SNCP) facilities**

UPDATE – Effective July 1, 2016, SNCP additional payment will be set at 49.5 percent for all SNCP facilities with the exception of UNM which will remain at 45 percent.

SNCP facilities will receive a reduction to the current SNCP additional payment received for inpatient claims. The current SNCP additional payment is set at 62 percent for all facilities excluding UNM which is set at 45 percent.

9. **Reduction to community benefits provider**

UPDATE – The reduction will be implemented on July 1, 2016, and applies to the following HCPCS and CPT codes only: 99509, G9006, S5100, S5110, S9122, T1002, T1003, and T1019 (EVV codes G9006-U1 and G9006-U2 will not be impacted).

There will be a one percent (1%) reduction for all community benefits providers and agencies.

10. **Reduction to dental services**

UPDATE – The reduction will be implemented July 1, 2016, but the reduction will be two percentage points (2%).

There will be a three percent (3%) reduction for all dental services. This will include preventative dental services.

11. Behavioral health services

A number of service codes are exempt from reductions; however, some CPT codes have been adjusted and may impact behavioral health providers that provide those services. Please verify rates for codes based on the new fee schedule. The updated fee schedules that have been released by HSD can be viewed online at <http://www.hsd.state.nm.us/providers/fee-for-service.aspx>

If you have any questions regarding this notification, please feel free to contact me at the phone number or email address listed below, or you can contact your Provider Network Management relationship executive at www.phs.org/ContactGuide.

We appreciate your commitment to providing excellent care and services to our members. Thank you for partnering with us to improve the health of individuals, families, and communities.

Sincerely,

A handwritten signature in black ink, appearing to read 'S. Tafoya'.

Steve Tafoya
Director of Provider Reimbursement
Provider Reimbursement
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