

December 10, 2009

Dear Healthcare Practitioner and Office Staff Members:

Presbyterian Health Plan and Presbyterian Insurance Company, Inc. (Presbyterian) are dedicated to ensuring that you have the information you need for correct claim submission and payment for the excellent care you provide to our members. This letter is to notify you of a change in reimbursement for the Presbyterian Salud and Presbyterian State Coverage Insurance (SCI) lines of business, effective for claims with dates of service on or after December 1, 2009.

The State of New Mexico Medical Assistance Program has issued Supplement Notification Number 09-10, regarding the Reduction in Medicaid Payments for Practitioner Services Effective December 1, 2009. This Supplement Notification can be found at the following link:

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

For state fiscal years 2007 and 2008, the Presbyterian Salud and Presbyterian SCI programs were pleased to significantly increase most provider rates as a result of additional funding by the New Mexico Legislature and the State of New Mexico Medical Assistance Program. Physicians and most other practitioner service rates were increased by an average of 29.5% in 2007 and an additional 1% in 2008. Additionally, for state fiscal year 2008, obstetrical services were increased by 25% while nursing facility visits and Early Periodic Screening, Diagnostic and Treatment (EPSDT) screenings were increased by 15.5%. Most other providers also received increases.

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 and Salud! program budgets are 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. Managed Care Organizations contracted for the SALUD! and SCI programs, such as Presbyterian Salud and Presbyterian SCI, will also be required to likewise reduce reimbursement levels as applicable.

The information on page three outlines the Fee for Service schedule reduction or reimbursement methodology changes that Presbyterian Salud and Presbyterian SCI will implement for claims with dates of service on or after December 1, 2009.

Should you have any questions, please contact your Provider Services Coordinator or myself and we will be glad to assist you. We are available Monday through Friday from 8:00 a.m. to 5:00 p.m. We appreciate your commitment to providing excellent care and services to our members. As always, thank you for partnering with us to improve the health of individuals, families, and communities.

Sincerely,



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Director of Provider Reimbursement
Provider Services
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Professional Practitioners Services and Other Providers:

Effective with dates of service beginning December 1, 2009, reimbursement for practitioner services in the Presbyterian Salud program will be reduced by three percent (3%). Unless indicated elsewhere in this notice, services billed using Current Procedural Terminology (CPT) and Healthcare Common Procedure Coding System (HCPCS) procedure codes performed by healthcare practitioners will be affected by the reduction. This includes services paid at Fee for Service schedule rates as well as rates specific for individual providers and types of providers. Unless otherwise noted, this reduction affects the following services and providers:

- Ambulatory surgical centers
- Audiologists
- Behavioral Health practitioners
- Behavior Management services
- Comprehensive Community Support
- Clinical Nurse specialists
- Clinics (except FQHC & RHC)
- Dental Hygienists
- Dentists
- Dieticians
- Mental Health Centers
- Mental Health Clinics
- Midwives
- Nurse Practitioners
- Nurses
- Occupational therapists
- Opticians
- Optometrists
- Pharmacist Clinicians
- Physical Therapists
- Physician Assistants
- Physicians
- Podiatrists
- Psycho-Social Rehabilitation
- Radiology
- Rehabilitation Centers
- Renal Dialysis facilities
- School-Based Health Centers
- Schools & Regional Education Cooperatives (RECs), and
- Speech Therapy

Practitioner Services That Will Not Be Reduced: At this time the reduction will not be applied to; anesthesia services; to payment rates for cost-based encounters (federally qualified health centers and rural health clinics) or federal Office of Management and Budget rates (Indian Health Services and 638-compact facility services paid at OMB rates); to payment rates that are determined at the federal level (hospice, clinical laboratory, prosthetics, orthotics, and oxygen); to cost-based/cost-settled provider rates (home health agencies); to items and services for which payment is based or largely based on invoice costs (hearing aids, glasses, frames, IV infusions) or to items that are paid at cost plus a percentage (medical supplies); to the Early Periodic Screening, Diagnostic and Treatment (EPSDT) screening rates for children; EPSDT personal care, EPSDT private duty nursing; early intervention services (FIT); day treatment; multi-systemic treatment; assertive community treatment (ACT); or to home and community based services waivers.

Additional Information: Providers may view the proposed rates or percent reductions on the Medical Assistance Department 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/PFFS.html>