Mondragon, Tabitha, HCA

From: Amanda Mascia <amanda.mascia@aotinc.net>
Sent: Friday, October 9, 2026 10:13 AM
To: HCA-madrules
Subject: [EXTERNAL] RE: Comments on Proposed Amendments to 8.324.5 NMAC (HCA)

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October 9, 2026
New Mexico Health Care Authority
Medical Assistance Division
HCA-madrules@hca.nm.gov

RE: Comments on Proposed Amendments to 8.324.5 NMAC

Dear Medical Assistance Division:

Advanced Oxygen Therapy Inc. submits these comments on the proposed amendments to 8.324.5 NMAC, supplementing our testimony at the October 9, 2026 public hearing. We are an enrolled durable medical equipment supplier and the US distributor of a Topical Oxygen Therapy for diabetic foot ulcers, billed under HCPCS code A4575, and we disclose that interest at the outset.

Because prescribers in the state are eager to make this therapy available to their patients with non-healing diabetic foot ulcers, we have been closely following New Mexico's deliberations on covering Topical Oxygen Therapy.

About 208,000 adults in New Mexico live with diagnosed diabetes. Each year, an estimated 4,600 of them develop a diabetic foot ulcer, and about 2,500 of those ulcers become chronic or non-healing, putting those patients at risk of amputation. Healing the ulcer is the point at which amputation can be prevented, and proven solutions exist.

Leading diabetes and wound care societies recommend Topical Oxygen Therapy for diabetic foot ulcers that don't heal with standard care. Recommendation of Topical Oxygen Therapy is based on randomized controlled trials and independent systematic reviews. We are prepared to provide the full evidence for Topical Oxygen Therapy upon request.

New Mexico's House Bill 233 added Topical Oxygen Therapy to the state's diabetes coverage law, effective January 1, 2026. Medicaid coverage was part of the bill conversation from the start: HCA's own fiscal analysis of the bill set out what Medicaid implementation would require.

HCA's Fiscal Analysis noted that, without a Medicare policy to use as a benchmark, developing Medicaid coverage and reimbursement would take significant staff time. That benchmark is now on the table. **Medicare's durable medical equipment contractors now have a proposed coverage policy for Topical Oxygen Therapy for diabetic foot ulcers that have not healed after four weeks of optimized**

care, with defined clinical criteria. HCA can build New Mexico's criteria on that framework rather than starting from scratch.

Today, because New Mexico Medicaid has no coverage policy for this therapy, members with diabetic foot ulcers that won't heal aren't able to access a therapy that could help prevent an amputation.

We have two requests.

First, **please add "medically necessary treatment of active diabetic foot ulcers, including Topical Oxygen Therapy" to the diabetes supply list in Section 12 (8.324.5.12(C)(7)(b) NMAC)**, so the rule matches state law as amended by HB 233.

Second, we ask that **HCA adopt coverage of HCPCS code A4575 for active diabetic foot ulcers, *using the proposed Medicare criteria as its starting framework*, and that HCA establish a reimbursement rate for A4575 and publish it on the Medicaid fee schedule.**

To support HCA's work, we are prepared to share existing coverage policies from other payers, a rate breakdown for A4575, and a fiscal impact model for New Mexico Medicaid, as needed or requested. Thank you for your time.

Appreciatively,

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