HEALTH CARE AUTHORITY

Michelle Lujan Grisham, Governor
Kari Armijo, Secretary
Alex Castillo Smith, Deputy Secretary
Kathy Slater Huff, Deputy Secretary
Niki Kozlowski, Acting Deputy Secretary
Alanna Dancis, Acting Medicaid Director

December 15, 2025

RE: Tribal Notification to Request Advice and Comments Letter 25-23: House Bill (HB) 2-2025 Rate Increases for Specific Dental Services and Free-Standing Birth Centers

Dear Tribal Leadership, Indian Health Service, Tribal Health Providers, and Other Interested Parties:

Seeking advice and comments from New Mexico's Indian Nations, Tribes, Pueblos and their health care providers is an important component of the government-to-government relationship with the State of New Mexico. In accordance with the New Mexico's Health Care Authority (HCA) Tribal Notification to Request Advice and Comments process, this letter is to inform you that the HCA's Medical Assistance Division (MAD) is providing public notice on its plans to submit a State Plan Amendment (SPA) to the Centers for Medicare & Medicaid Services (CMS) to increase provider rates for dental services and free-standing birth centers effective January 1, 2026.

The proposed changes to the Fee For Service (FFS) rates specified in this notice are to assure that payments are consistent with efficiency, economy, quality of care, and are sufficient to enlist enough providers at least to the extent that such care and services are available to the general population in the geographic area.

HCA is proposing to implement a 16% rate increase for the top 10 dental codes utilized in pediatric dental services to help build and protect the dental provider health care delivery network. These increases will be effective January 1, 2026.

Dental Program Service Rates for Services Provided on or After January 1, 2026

Codes	Description	1/1/2026 Rate
D0120	Periodic oral evaluation - established patient	$28.40
D0150	Comprehensive Oral Evaluation	$43.66
D0220	Intraoral - periapical first radiographic image	$13.70
D0230	Intraoral - periapical each additional radiographic image	$10.94
D0272	Bitewings - two radiographic images	$25.55
D0274	Bitewings - four radiographic images	$36.89
D1120	Dental Prophylaxis - child	$39.75

D1206	Topical application of fluoride varnish	$22.94
D1208	Topical application of fluoride - excluding varnish	$22.70
D1351	Dental Sealant Per Tooth	$28.99

Additionally, HCA is required to ensure rate parity in accordance with HB56 between hospitals and free-standing birth centers. The methodology for free-standing birth center rates (provider type 405-birth center) has been updated. The reimbursement rate will be developed using the unweighted average base rate and pass-through payment for all New Mexico's labor and delivery hospitals multiplied by the DRG weight for DRG 795- Non-Complicated Vaginal Birth and DRG 807- Normal Newborn. Below are the updated reimbursement rates on or after January 1, 2026:

Free-Standing Birth Center Service Rates for Services Provided on or After January 1, 2026

Birth Center Facility Charge Service	Revenue Code	Procedure Code	1/1/2026 Rate
Facility Charge - Labor, Delivery, and Newborn	0724	59400-59410 or 59610-59614	$3,550.00
Facility Charge - Transfer to Hospital	0729	59899	$1,300.00
Facility Charge - False Labor	0724	S4005	$130.00

A Reproductive Health Fee schedule has been published, which includes the free-standing birth center rates effective January 1, 2026 at https://www.hca.nm.gov/providers/fee-for-service/.

The estimated financial impact for dental rate increases is $186,300 in federal funds for FFY26 and $247,700 in federal funds for FFY27.

The estimated financial impact to update free-standing birth center rate methodology is $0 in federal funds for FFY26 and $0 in federal funds for FFY27. Based on Fee-For-Service utilization for Calendar Years 2023 and 2024, there is zero federal budget impact.

Tribal Impact

The HCA **does not** anticipate any impact for Indian Nations, Tribes, and Pueblos and their health care providers with this change.

Tribal Advice and Comments

Tribes and their healthcare providers may view the proposed changes on the HCA webpage at: https://www.hca.nm.gov/providers/written-tribal-notification-letters/ **25-23: House Bill (HB) 2-2025 Rate Increases for Specific Dental Services and Free-Standing Birth Centers.**

Written comments must be submitted, and Tribal Leadership may request a government-to-government consultation by **5:00 p.m. Mountain Time (MT) on January 14, 2026**. Please direct your comments and requests for consultation to the MAD Deputy Director, Heidi Capriotti, at (505) 629-2938, or by email at: Heidi.Capriotti@hca.nm.gov. All written comments received will be posted on the New Mexico Medicaid website at: https://www.hca.nm.gov/providers/written-tribal-notification-letters/ along with this notification letter. The public posting will include the name and contact information provided by the commenter.

OPPORTUNITY TO VIEW DOCUMENTS

The complete draft amendment may be found on the New Mexico's Medicaid website at: https://www.hca.nm.gov/comment-period-open-2025/. A written copy of these proposed documents may be requested by contacting the HCA/MAD in Santa Fe at (505) 827-1337.

Copies of all comments will be made available by HCA/MAD upon request by providing copies directly to a requestor, by making them available on the HCA/MAD website, or at a location within the county of the requestor.

Sincerely,



Alanna Dancis
Acting State Medicaid Director