



STATE OF NEW MEXICO
Human Services Department
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FOR IMMEDIATE RELEASE

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New Mexico Medicaid providers receive \$409 million rate increase

Reinforcing New Mexico's health care workforce

SANTA FE – Today, the New Mexico Human Services Department (HSD) announced the successful implementation of a substantial \$409 million increase in reimbursement rates for most Medicaid health care providers. This significant investment is designed to fortify and support the health care workforce in New Mexico, ensuring that the state's 869,528 Medicaid customers receive essential health care services.

"We are incredibly proud to have completed the roll-out of these rate increases, a testament to our commitment and support for New Mexico's health care workforce and the state's 896,528 Medicaid customers," said **Kari Armijo**, cabinet secretary for the New Mexico Human Services Department. "This initiative became a reality thanks to the invaluable support, investment and partnership of the governor and the Legislature."

Starting from claims made on July 1, 2023, New Mexico Medicaid providers will see increased payments. This change is the result of a thorough rate benchmarking study that HSD conducted in 2022. Claims for reimbursement have been automatically reprocessed with the rate increases retroactive to July 1.

"Thanks to this substantial funding boost, Medicaid providers across New Mexico will now receive reimbursements at rates as high as 120% of Medicare," said **Lorelei Kellogg**, acting director for the New Mexico Medicaid program. "By elevating rates, New Mexico Medicaid continues to work toward the goal of ensuring that all New Mexicans enrolled in the program have access to vital health care services."

This initiative highlights the agency's continuous efforts to strengthen New Mexico's health care system, ensuring that the most vulnerable populations have uninterrupted access to care. Medicaid providers can expect the effects of these extra funds to kick in as of November 2023.

The rate increases represent the first two phases of a strategic three-phase approach aimed at boosting payments to Medicaid providers. The proposal for phase three rate increases has been included in the agency's budget request for state fiscal year 2025.

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We talk, interpret and smile in all languages. We provide written information to our customers in both English and Spanish and interpretation services are available in 58 languages through our provider, [CTS Language Link](#). For our hearing, and speech impaired customers, we utilize [Relay New Mexico](#), a free 24-hour service that ensures equal communication access via the telephone to individuals who are deaf, hard of hearing, deaf-blind or speech disabled. The Human Services Department provides services and benefits to 1,001,577 New Mexicans through several programs including: the Medicaid Program, Temporary Assistance for Needy Families (TANF) Program, Supplemental Nutrition Assistance Program (SNAP), Child Support Program, and several Behavioral Health Services.