

**STATE OF NEW MEXICO
WORKERS' COMPENSATION ADMINISTRATION**

**IN THE MATTER OF THE ADOPTION OF THE 2026
HEALTH CARE PROVIDER FEE SCHEDULE**

FEE SCHEDULE ORDER

THIS ORDER is issued pursuant to NMSA 1978, Sections 52-4-5(A) (1993) & 52-5-4(A) (2003), and NMAC 11.4.7.9 (A) (I). It is intended to further the purposes of 11 NMAC, Part 7, namely, to establish a system of maximum allowable fees and reimbursements for health care services and related non-clinical services provided by all health care providers; to establish billing dispute procedures; and to establish the procedures for cost containment including case management, utilization review and return-to-work services.

1. The proposed Health Care Provider Fee Schedule (HCPFS) was released to the Director's Medical Advisory Committee (DMAC) for inspection on or about June 26 and September 23, 2025.

2. A DMAC meeting was held to discuss the HCPFS on June 26, 2025, and October 14, 2025.

3. The HCPFS was made available on the Workers' Compensation Administration (WCA) website on or about October 1, 2025.

4. Written public comments were accepted from October 1 through October 31, 2025. A hearing to receive public comments was conducted on October 22, 2025.

5. The following methods were used to determine the maximum allowable payment amounts for the HCPFS:

A. Required data was obtained from the following sources:

- The most recent Current Procedural Terminology (CPT) codes from the

- American Medical Association (AMA);
 - Relative Value Units (RVUs) and Geographic Practice Cost Index (GPCI) from the Centers for Medicare & Medicaid Services (CMS) and gap-fill RVUs from a third-party vendor;
 - Relevant procedure utilization data from the National Council on Compensation Insurance (NCCI);
 - Most recent fee schedules from regional seven states: Arizona, Colorado, Kansas, Nevada, Oklahoma, Texas and Utah; and
 - Inflation index values from the Bureau of Labor Statistics' (BLS) Consumer Price Index (CPI) for physicians' services.
- B. Assign one of six service categories to each medical procedure: Surgery, Pathology and Laboratory, Medicine, Radiology, Evaluation and Management, and Psychology and Psychiatry;
- C. Utilizing an index-based adjustment methodology consistent with established economic best practices, assign a conversion factor to each service category that aligns predicted costs resulting from physicians' services with measured inflation in physicians' services;
- D. Utilizing regional seven states data, calculate the 60th and 80th percentile effective conversion factors for the maximum allowable payment amounts by service category, thereafter adjusting (a) downward conversion factors above the regional 80th percentile effective conversion factor by service category, and (b) adjusting upward conversion factors below the regional 60th percentile effective conversion factor by service category.
- E. Calculate the maximum allowable rate for each applicable CPT procedure by multiplying the relevant conversion factor by the GPCI adjusted non-facility RVU for that procedure.
6. The following methods were used to determine the 2026 Hospital Assigned Ratio:
- A. Use data collected from HCFA/CMS G-2 worksheet to calculate all cost-to-

charge ratios = (Total Operating Expenditures/Total Patient Charges);

B. Calculate medians for all (Expenditure/Revenue (Charge)) ratios; then

C. If a ratio is lower than median, set at median;

D. If a ratio is equal to or greater than the median but lower than 0.75, assign the calculated ratio;

E. If a ratio is greater than 0.75, set at 0.75;

F. If new hospital, assign 0.67;

G. Established hospitals that do not submit a G-2 shall be assigned the minimum adjusted ratio of 0.36;

H. Out-of-state hospital, assign 0.36;

I. The hospital ratio shall be applied to all charges for compensable services provided during a hospital inpatient stay, hospital outpatient surgery or an emergency department visit, with the exception of the following:

- Implants, Hardware & Instrumentation; and
- Radiology, Pathology & Laboratory

7. The 2026 Health Care Provider Fee Schedule and Billing Instructions appended to this Order and incorporated herein are adopted on December 5, 2025, with an effective date of January 1, 2026.

8. The following are specifically adopted pursuant to 11.4.7.9 NMAC and incorporated by reference as if fully set forth herein: Current Procedural Terminology (CPT) code, as defined in 11.4.7.7(H) NMAC, which is derived from the CPT 2025, Professional Edition, Copyright 2024 by the American Medical Association (AMA) (hereinafter, "CPT 2025"). CPT 2025 is a listing of descriptive terms, numeric and alphanumeric identifying codes and modifiers for reporting medical services and procedures performed by physicians, which is copyrighted by

the AMA.

9. This Order in no way alters, or intends to alter, any WCA rule in effect on the date of this Order. To the extent that there is a conflict between this Director's Order and WCA rules, the more specific shall apply.

IT IS SO ORDERED.



HEATHER JORDAN, Director
New Mexico Workers' Compensation Administration

Issued: December 5, 2025