

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850



AUG 02 2013

Ms. Julie Weinberg, Director
New Mexico Human Services Department
Medical Assistance Division
Post Office Box 2348- ARK
Santa Fe, New Mexico 87504-2348

RE: New Mexico 12-01

Dear Ms. Weinberg:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 12-01. The purpose of this amendment is to revise the supplemental payments for inpatient hospital services, and to ensure hospitals do not exceed their hospital specific Disproportionate Share Hospital (DSH) limits for the year.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a), and 1923 of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C. As part of the review process the State was asked to provide information regarding access to care issues and the funding of the State share of expenditures under Attachment 4.19-A.

Based upon your assurances, Medicaid State plan amendment 12-01 is approved effective June 1, 2012. We are enclosing the HCFA-179 and the amended plan page.

If you have any questions, please call Tamara Sampson at (214) 767-6431.

Sincerely,

A large black rectangular redaction box covers the signature area of the letter.

Cindy Mann
Director

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 12-01	2. STATE New Mexico
FOR: HEALTH CARE FINANCING ADMINISTRATION		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE June 1, 2012	
5. TYPE OF PLAN MATERIAL (Check One): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 447 42 CFR 412.92		7. FEDERAL BUDGET IMPACT: SFY12: \$22,046,218 SFY13: \$32,360,193 SFY14: \$16,172,332	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-A Page 19a (new) Attachment 4.19-A Page 19b (new) Attachment 4.19-A Page 19c (new) Attachment 4.19-A Page 20 Attachment 4.19-A Page 25		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-A Page 20 (supercedes TN 00-09) Attachment 4.19-A Page 25 (supercedes TN 97-04)	
10. SUBJECT OF AMENDMENT: Solo community hospital provider payments and disproportionate share hospital payments			
11. GOVERNOR'S REVIEW (Check One): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL		X OTHER, AS SPECIFIED: Authority Delegated to the Medicaid Director.	
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO: Julie B. Weinberg, Director Medical Assistance Division P.O. Box 2348 Santa Fe, NM 87504 - 2348	
13. TYPED NAME: Julie B. Weinberg			
14. TITLE: Director, Medical Assistance Division			
15. DATE SUBMITTED: March 26, 2012 Resubmitted: June 14, 2013			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: 26 March 2012		18. DATE APPROVED: AUG 02 2013	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: JUN 01, 2012		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: Penny Thompson		22. TITLE: Deputy Director, Policy & Financial Mgt. PMS	
23. REMARKS:			

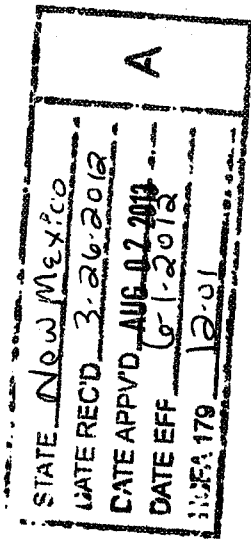
STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State of NEW MEXICO
METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -
INPATIENT HOSPITAL SERVICES

Attachment 4.19 - A

Page 19a

quarter.

- d. For each subsequent plan year, the sole community hospital is required to submit to the Department, no later than January 15 for the subsequent state fiscal year, a sole community hospital payment request. If the hospital cannot meet the January 15 deadline, the hospital may submit a written request for up to 30 day extension. Such requests must be received prior to the January 15 deadline.
- e. The sole community provider payment request must be reviewed and approved by the county government in which the hospital is located. In order for the request to be valid, the county government's approval must be submitted with the hospital's request. If the hospital does not submit a valid request within the time frame identified above, it will not be eligible for a sole community provider adjustment for that year regardless of the hospital's status as a sole community hospital.
- f. For years subsequent to the initial payment year, the sole community hospital payment adjustment will be determined as follows:
 - (i) for public hospitals for state fiscal years through state fiscal year 2012 (except for Miners Colfax Medical Center for state fiscal year 2012) and for private hospitals for state fiscal years through state fiscal year 2011, the Department will make base payments that will be the lesser of the amount paid by the Department for the previous year trended forward or the amount requested by the hospital and approved by the county government. The Department will use the market basket forecast published periodically in the CMS Regional Medical Services letter, or an amount mutually agreed upon by the hospital and the county government, to trend the previous year's payment.
 - (ii) for public and private hospitals for state fiscal years through state fiscal year 2011, the Department will calculate the Medicare payment limit (specified at 42 CFR 447) annually. If the base payments have not caused the upper limit to have been exceeded additional payments will be distributed by the Department based on hospital requests approved by the county government up to the upper payment limit. Should the amounts requested by the hospitals exceed the amount available under the upper payment limit, the amounts will be prorated and distributed based on the amount of the request received by the Department.
 - (iii) For private hospitals for state fiscal year 2012, the Department's payments applicable to the year shall be the amounts listed below, less the four quarterly amounts paid to those hospitals for state fiscal year 2012 pursuant to the provisions of the plan applicable to sole community provider payments in those quarters.



TN No. 12-01

Approval Date AUG 02 2012

Supersedes ITN No. _____

Effective Date 6-1-2012

SUPERSEDES: NONE - NEW PAGE

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State of NEW MEXICO
METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -
INPATIENT HOSPITAL SERVICES

Attachment 4.19 - A
Page 19b

Private Hospital Payments for 2012

Carlsbad Regional Hospital	\$2,885,081
Eastern New Mexico MC	\$192,380
Espanola Hospital	\$3,137,794
Gerald Champion Hospital	\$3,389,535
Lea Regional Hospital	\$90,305
Los Alamos Hospital	\$851,303
Mimbres Memorial Hospital	\$915,532
Mountain View Regional MC	\$1,593,106
Plains Regional Medical Center	\$1,714,068
Rehobeth McKinley Christian Hosp.	\$8,745,789
Roswell Hospital	\$687,621
Socorro General Hospital	\$3,483,302
St. Vincent's Medical Center	\$3,192,332

(iv) For Miners Colfax Medical Center for state fiscal year 2012, the Department's payments applicable to the year shall be \$917,128, less the four quarterly amounts paid to that hospital for state fiscal year 2012 pursuant to the provisions of the plan applicable to sole community provider payments for those quarters.

(v) For private hospitals for state fiscal year 2013, the Department's payments applicable to the year shall be the amounts listed below:

Private Hospital Payments for 2013

Alta Vista Hospital	\$360,062
Carlsbad Medical Center	\$ 3,284,544
Eastern NM Medical Center	\$ 2,557,820
Espanola Hospital	\$2,192,942
Gerald Champion Hospital	\$2,242,559
Lea Regional Hospital	\$1,755,324
Los Alamos Medical Center	\$513,672
Mimbres Memorial Hospital	\$1,789,294
Mountain View Regional Center	\$ 1,128,693

A
STATE <u>New Mexico</u>
DATE REC'D <u>3-26-2012</u>
DATE APP'VD <u>AUG 02 2013</u>
DATE EFF <u>6-1-2012</u>
NO. <u>179</u> <u>12-01</u>

TN No. 1201

Approval Date AUG 02 2013

Supersedes TN No. _____

Effective Date 6-1-2012

SUPERSEDES: NONE - NEW PAGE

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State of NEW MEXICO
METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -
INPATIENT HOSPITAL SERVICES

Attachment 4.19 - A
Page 19c

Plains Regional Medical Center	\$3,109,506
Rehoboth McKinley Hospital	\$4,166,895
Roswell Hospital	\$1,261,555
Socorro General Hospital	\$2,071,347
St. Vincent's Medical Center	\$4,456,857

(vi) For public hospitals (other than the State University Hospital) for state fiscal year 2013, the Department's payments applicable to the year shall be the amounts listed below:

Artesia Hospital	\$42,962
Cibola General Hospital	\$1,199,854
Dan C. Trigg Hospital	\$566,040
Gila Regional Medical Center	\$2,167,326
Guadalupe County Hospital	\$560,072
Holy Cross Hospital	\$749,113
Lincoln County Medical Center	\$500,747
Memorial Medical Center	\$ 4,360,647
Nor-Lea General Hospital	\$175,886
Roosevelt General Hospital	\$393,373
San Juan Regional Medical Center	\$4,173,338
Sierra Vista Hospital	\$490,974
Union County General Hospital	\$284,783
Miners Colfax Medical Center	\$228,603

(vii) For private hospitals for state fiscal year 2014, the Department's payments applicable to the first half of the year shall be the amounts listed below:

Carlsbad Medical Center	\$1,590,651
Eastern NM Medical Center	\$1,223,163
Espanola Hospital	\$ 1,115,585
Gerald Champion Hospital	\$1,332,463

A
STATE <u>New Mexico</u>
DATE RECD <u>3-26-2012</u>
DATE APPV'D <u>AUG 02 2013</u>
DATE EFF <u>6-1-2012</u>
NO. <u>179</u> <u>12-01</u>

TN No. 12-01

Approval Date AUG 02 2013

Supersedes TN No. SUPERSEDES: NONE - NEW PAGE

Effective Date 6-1-2012

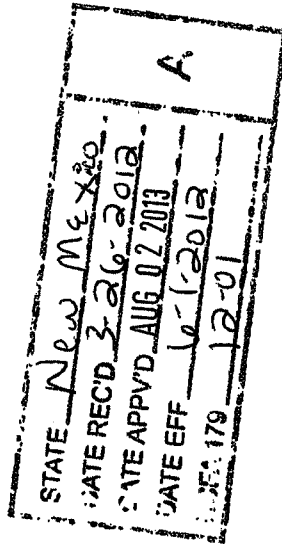
STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State of NEW MEXICO
METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -
INPATIENT HOSPITAL SERVICES

Attachment 4.19 - A
Page 20

Lea Regional Hospital	\$574,162
Los Alamos Medical Center	\$346,104
Mimbres Memorial Hospital	\$956,193
Mountain View Regional Center	\$760,495
Plains Regional Medical Center	\$879,323
Rehoboth McKinley Hospital	\$2,395,044
Roswell Hospital	\$ 221,761
Socorro General Hospital	\$1,219,399
St. Vincent's Medical Center	\$ 2,831,192

(viii) For public hospitals (other than the State University Hospital) for state fiscal year 2014 the Department's payments applicable to the first half of the year shall be the amounts listed below:

Artesia General Hospital	\$24,859
Cibola General Hospital	\$623,777
Dan C. Trigg Hospital	\$327,524
Gila Regional Medical Center	\$1,143,049
Guadalupe County Hospital	\$323,931
Holy Cross Hospital	\$ 275,222
Lincoln County Medical Center	\$184,573
Memorial Medical Center	\$2,055,120
Miners' Colfax Medical Center	\$114,302
Nor-Lea General Hospital	\$101,772
Roosevelt General Hospital	\$227,614
San Juan Regional Medical Center	\$2,096,246
Sierra Vista Hospital	\$284,089
Union County General Hospital	\$164,782



7. State Operated Teaching Hospital Adjustment
 Teaching hospitals (as defined in section 4.19-A.III.F.8.a operated by

TN No. 12-01
 Supersedes TN No. 00-09

Approval Date AUG 02 2013
 Effective Date 6-1-2012

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of NEW MEXICO

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -
INPATIENT HOSPITAL SERVICES

A	
STATE	New Mexico
DATE REC'D	3-26-2013
DATE APP'VD	AUG 02 2013
DATE EFF	6-1-2013
REF	179 12-01

Attachment 4.19 - A
Page 25

3. A PPS-exempt hospital (TEFRA) such as rehabilitation hospitals, children's hospitals, or free-standing psychiatric hospitals, qualify if it is reimbursed by or eligible to be reimbursed by TEFRA (Tax Equity and Finance Reduction Act) methodology as described in Section II of this policy.
4. The reserve pool is to compensate DSH qualifying hospitals which have had a disproportionate shift in the delivery of services between low-income and Medicaid-covered inpatient days in any given quarter. A hospital will qualify for payment from the reserve pool if its charity ratio, as described in paragraph A.2.b.ii, exceeds 20 percent. A qualifying hospital may receive a payment from the reserve pool in addition to its payment from one of the three other pools.

Disproportionate Share Hospital Payments

The DSH funds allocated to each pool are paid to qualifying hospitals based on the number of Medicaid discharges. These include both Medicaid managed care and non-managed care discharges. A discharge occurs when a patient dies in the hospital, is formally released from the hospital, or is transferred to another hospital or nursing home.

Payments are made quarterly, with the annual amount for the pool divided into four parts, and each part distributed after the end of each quarter based on Medicaid discharges during that quarter. The quarterly payment to each hospital qualifying for DSH pools 1,2, or 3 will be computed by dividing the number of Medicaid discharges for that hospital by the total number of Medicaid discharges from all hospitals qualifying for that DSH pool and then multiplying this pro rata share by the quarterly allocation for the respective pool. This amount cannot exceed the OBRA 93 DSH limit, which is described in sections IV.E. and IV.F.

The Medical Assistance Division will review the allocation of DSH funds prior to the start of each State Fiscal Year and may re-allocate funds between pools at that time in consideration of shifts in the hospital utilization of Medicaid and low-income / indigent care patients.

In the event that it appears, through audit or otherwise, that a hospital in any year has received a payment that exceeds its OBRA 93 DSH limit, the amount of such excess payment shall be recovered and reallocated to other DSH-eligible hospitals to the extent that such reallocation would not result in payments to such other hospitals in excess of their OBRA 93 DSH limits for the year.

TN No. 12-01

Approval Date AUG 02 2013

Supersedes TN No. 97-04

Effective Date 6-1-2012