



State of New Mexico
Human Services Department
Human Services Register



I. DEPARTMENT

NEW MEXICO HUMAN SERVICES DEPARTMENT

II. SUBJECT

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT TO INPATIENT
HOSPITAL SERVICES – SOLE COMMUNITY PROVIDER FUND

III. PROGRAM AFFECTED

(TITLE XIX) MEDICAID

IV. ACTION

PROPOSED REGULATIONS

V. BACKGROUND SUMMARY

The Human Services Department/Medical Assistance Division is proposing changes to 8.311.3 NMAC, *Methods and Standards for Establishing Payment - Inpatient Hospital Services*, to be effective June 1, 2012. The current language related to the Sole Community Provider Fund will be amended to provide that if in any year the Department uses any portion of the funds provided by a county to make a refund to the federal government of the federal share of previous payments, the calculation of the payment amount by the Department shall include the portion of the county transferred funds used to make the refund plus the federal share that those funds would have earned had they been used for payments to the hospital.

VI. REGULATIONS

These proposed regulation changes will be contained in 8.311.3 NMAC of the Medical Assistance Program Manual. This register and the proposed changes are available on the Medical Assistance Division web site at <http://www.hsd.state.nm.us/mad/registers/2012>. If you do not have Internet access, a copy of the regulations may be requested by contacting the Medical Assistance Division at 827-3157.

VII. EFFECTIVE DATE

The Department proposes to implement these regulations effective June 1, 2012.

VIII. PUBLIC HEARING

A public hearing to receive testimony on these proposed regulations will be held at 11:00 a.m. on April 18, 2012 in the South Park Conference Room, 2055 S. Pacheco, Ste. 500-590, Santa Fe.

If you are a person with a disability and you require this information in an alternative format or require a special accommodation to participate in the public hearing, please contact the Division toll free at 1-888-997-2583 and ask for extension 7-3156. In Santa Fe call 827-3156. The Department's TDD system may be accessed toll-free at 1-800-659-8331 or in Santa Fe by calling 827-3184. The Department requests at least ten (10) days advance notice to provide requested alternative formats and special accommodations.

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

IX. ADDRESS

Interested persons may address written or recorded comments to:

Sidonie Squier, Secretary
Human Services Department
P.O. Box 2348
Santa Fe, New Mexico 87504-2348

These comments must be received no later than 5:00 p.m. on April 18, 2012. Written and recorded comments will be given the same consideration as oral comments made at the public hearing. Interested persons may also address comments via electronic mail to:

Barbara.watkins@state.nm.us.

X. PUBLICATION

Publication of these regulations approved by:

SIDONIE SQUIER, SECRETARY
HUMAN SERVICES DEPARTMENT

HOSPITAL SERVICES
METHODS AND STANDARDS FOR ESTABLISHING PAYMENT
INPATIENT HOSPITAL SERVICES

TITLE 8 SOCIAL SERVICES
CHAPTER 311 HOSPITAL SERVICES
PART 3 METHODS AND STANDARDS FOR ESTABLISHING PAYMENT-INPATIENT
HOSPITAL SERVICES

Explanatory paragraph: This is an amendment to 8.311.2 NMAC, Section 12, which will be effective June 1, 2012. The Medical Assistance Division is amending Subparagraph (f) of Paragraph (6) of Subsection F to amend the current language related to the Sole Community Provider Fund to provide that if in any year the Department uses any portion of the funds provided by a county to make a refund to the federal government of the federal share of previous payments, the calculation of the payment amount by the Department shall include the portion of the county transferred funds used to make the refund plus the federal share that those funds would have earned had they been used for payments to the hospital.

8.311.3.12 PROSPECTIVE PAYMENT METHODOLOGY FOR HOSPITALS: Payment for all covered inpatient services rendered to eligible recipients admitted to acute care hospitals (other than those identified in Subsections C through D of 8.311.3.10 NMAC) on or after October 1, 1989 shall be made based on a prospective payment approach which compensates hospitals an amount per discharge for discharges classified according to the diagnosis related group (DRG) methodology. The prospective rates for each hospital's MAD discharges will be determined by the department in the manner described in the following subsections.

F. Special prospective payment provisions:

(6) **Sole community hospital payment adjustment:** Effective for the quarter beginning July 1, 1993, in-state care hospitals that qualify as sole community hospitals are entitled to receive a sole community hospital payment adjustment in accordance with the provisions specified below:

(f) ~~[For years subsequent to the initial payment year, the sole community hospital payment adjustment will be the lesser of the amount paid by the department for the previous year trended forward. 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.]~~ For the years subsequent to the initial payment year, the sole community hospital payment adjustment will be the lesser of the hospital's payment request amount mutually agreed upon by the hospital and the county government for each year or the amount for the previous year trended forward, provided that if any year the department utilizes any portion of the funds provided by the county to make a refund to the federal government of the federal share of previous payments, the calculation of the base amount paid by the department for the previous year shall include the portion of the county transferred funds used to make the refund plus the federal share that those funds would have earned had they been used for payments to the hospital. The department will use the market basket forecast published periodically in the CMS regional medical services.

[2-1-95, 10-31-97, 6-30-98, 9-1-98, 1-1-99, 8.311.3.12 NMAC - Rn, 8 NMAC 4.MAD.721.D.III & A, 1-1-01; A, 10-1-02; A, 7-1-04; A, 4-1-11; A, 6-1-12]