Outpatient Hospital Services

III. For outpatient hospital services provided by approved Title XIX hospitals for reimbursement purposes, effective for all accounting periods which begin on or after October 1, 1983, the amount payable by the Medicaid program through its fiscal agent for services provided to Title XIX recipients and covered under the Medicaid program, the manner of payment and the manner of settlement of overpayments and underpayments shall be determined under the methods and procedures provided for determining allowable payment for outpatient hospital services under Title XVIII of the Social Security Act.

Effective April 1, 1992, for those services reimbursed under Title XVIII allowable cost methodology, the Medicaid program reduces the Title XVIII allowable costs by 3 percent. The interim rate of payment shall be applicable to all hospitals approved for participation as Title XIX hospitals in the Medical Assistance Program.

Effective for dates of service on or after November 1, 2010, outpatient hospital services, which are not designated as Critical Access Hospitals, are reimbursed at an outpatient prospective payment *system (OPPS)* rate using Medicare Ambulatory Payment Classification (APC) groups and reimbursement principles. *Effective for dates of service beginning July 1, 2016, the OPPS rates for the state medical teaching hospital are reduced by 5%, and by 3% for other hospitals.* Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers. Notice of changes to rates will be made as required by 42 CFR 447.205. All rates are published on the Department's website at: http://www.hsd.state.nm.us/mad/PFeeSchedules.html

A Critical Access Hospital, a designation made by Medicare following the Medicare Rural Hospital Flexibility Program created by the federal government in the Balanced Budget Act of 1997, will be paid at a percentage of the state developed fee schedule rates that equals the cost to charge ratio reported by the hospital to the Medicare program prior to February 1, for 2012. *Effective for dates of service beginning July 1, 2016, rates will be reduced by 3%.*

In no case can the reimbursement for outpatient hospital services exceed reasonable cost as defined under Medicare Title XVIII.

a. Reimbursement for clinical diagnostic laboratory services are subject to the upper payment limits described in 1903(i)(7) of the Social Security Act. Except as otherwise noted in the plan, state developed fee schedule rates are set at ~~*100%*~~ *94%* of the Medicare rate and are the same for both governmental and private providers. All rates are published on the Department's website at: http://www.hsd.state.nm.us/mad/PFeeSchedules.html

b. Effective for dates of service on or after December 1, 2009 through October 31, 2010, outpatient hospital radiology technical component services are reimbursed at a fee schedule rate equivalent to the fee schedule rate for non-hospital based radiology facilities. Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers.

The rates were developed by (1) multiplying the cost to charge ratio for each hospital by the billed charges for radiology technical component services to arrive at the approximate cost settled amount paid for each radiology technical