

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
STATE OF NEW MEXICO  
METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES IN PATIENT  
HOSPITAL SERVICES

Attachment 4.19-A  
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- Effective for services on or after October 1, 1997, the rates that were in effect as of October 1, 1996 will be updated.
- Effective April 1, 2014, base rates will be increased for all Safety Net Care Pool (SNCP) qualifying hospitals by 124 percent. Effective July 1, 2014, those rates will decrease to an amount equal to the pre-April 1, 2014 rate times 1.62 (increasing the historical rate by 62 percent). For the University of New Mexico Hospital the rates will be increased by 90 percent and 45 percent, respectively. *Effective July 1, 2016, SNCP rates will be reduced to the level of state matching funds available by counties and any general fund appropriation(s) contained in the New Mexico Human Services Department's base budget.*
- In accordance with the above paragraph, hospital rates will be set as of April 1, 2014 and be effective for services performed on or after that date and until June 30, 2014. Revised rates will be set as of July 1, 2015 and be effective for services performed on or after that date until such time as the State makes future rate adjustments. *Effective for dates of service beginning July 1, 2016, inpatient hospital rates paid at Diagnosis Related Group rates will be reduced by 8% for the state medical teaching hospital, and by 5% for other hospitals.* Hospital base rates are published on the agency's website (<http://www.hsd.state.nm.us/providers/fee-schedules.aspx>). Except as otherwise noted in this plan, state developed fee schedule rates are the same for both governmental and private providers of hospital inpatient services.
- No payment under this section is dependent on any agreement or arrangement for providers or related entities to donate money or services to a governmental entity.
- The rates will be updated annually for inflation, effective October 1 each year, using the methodology in paragraph C. I.
- Cost reporting periods ending in 1993 are used as the base year for the rates in effect as of October 1, 1996. The October 1, 1996 base year cost per discharge was determined from Title XIX discharges from audited or desk reviewed cost reports for reporting periods ending in calendar year 1993 and inflated forward to the midpoint of the federal fiscal year 1997 using the update factors specified in III.C.8- as described in paragraphs C.2.b. through C.13 below.  
The operating cost per discharge and the excludable cost per discharge as of October 1, 1996 will be combined into one base year cost per discharge. The combined base year cost per discharge will be updated for inflation using the update factor in paragraph C.1.
- The excludable cost per discharge will be handled in the same manner as described in III.E.
- The methodology described in paragraphs C.2.b. through C.13 below represent the methodology in effect prior to October 1, 1997 and is retained intact in the state plan solely to document how the rates in effect as of October 1, 1997 were determined.