



HUMAN SERVICES
DEPARTMENT

Susana Martinez, Governor
Brent Earnest, Secretary
Nancy Smith-Leslie, Director

INTRADepartmental MEMORANDUM

MAD-IPP: 18-01

DATE: JUNE 20, 2018

TO: HSD STAFF

FROM: *ML* NANCY SMITH-LESLIE, DIRECTOR, MEDICAL ASSISTANCE DIVISION

THROUGH: *VA* KARI ARMIJO, DEPUTY DIRECTOR, MEDICAL ASSISTANCE DIVISION

BY: ROBERT STEVENS, CHIEF, PROGRAM POLICY BUREAU

SUBJECT: **INTERIM POLICY FOR HOSPITAL COST REPORTING – EFFECTIVE JULY 1, 2018**

I. GENERAL INFORMATION

As a result of a federal review, the Human Services Department (HSD) is immediately adding language at 8.311.3.14 NMAC, Subsection C, to allow more time for hospitals to submit cost reports. The new language, which aligns with federal requirements, clarifies that cost reports must be submitted within five months after the close of the hospital's fiscal year. Under previous policy, the time requirement for hospital submission of cost reports was 90 days.

The purpose of this memorandum is to issue an Interim Policy and Procedure (IPP) for hospital cost reporting timeframes to align with federal requirements established by the Centers for Medicare and Medicaid Services (CMS). The Human Services Department Medical Assistance Division (HSD/MAD) will formally promulgate revised regulations at 8.311.3 NMAC, Methods and Standards for Establishing Payment – Inpatient Hospital Services; however, the provision referenced in this IPP is effective on July 1, 2018.

II. REVISED POLICY

Effective July 1, 2018, hospitals must provide a cost report to HSD within five months after the close of the hospital's fiscal year. Failure to file a report within the five-month limit, unless an extension is granted, will result in suspension of MAD payments, until such time as the report is received.

This IPP supersedes existing NMAC language at 8.311.3.14, Subsection C, concerning timeframes for hospital cost reports pending execution of the final revised rule.