



State of New Mexico
Human Services Department
Human Services Register



I. DEPARTMENT
HUMAN SERVICES DEPARTMENT

II. SUBJECT
8.311.3 NMAC, METHODS AND STANDARDS FOR ESTABLISHING PAYMENT –
INPATIENT HOSPITAL SERVICES

III. PROGRAM AFFECTED
(TITLE XIX) MEDICAID

IV. ACTION
PROPOSED RULE

V. BACKGROUND SUMMARY

The Human Services Department (the Department), through the Medical Assistance Division (MAD), is proposing to amend the New Mexico Administrative Code (NMAC) rule 8.311.3 NMAC, *Methods and Standards for Establishing Payment - Inpatient Hospital Services*.

Section 9-8-6 NMSA 1978, authorizes the Department Secretary to promulgate rules and regulations that may be necessary to carry out the duties of the Department and its divisions.

Notice Date: August 14, 2018
Hearing Date: September 13, 2018
Adoption Date: Proposed as December 1, 2018
Technical Citations: 42 CFR §412

The revisions being proposed are primarily to update provisions of the rule regarding reimbursement and to implement federally required changes.

The Department is proposing to amend the rule as follows:

Section 10 (8.311.3.10): General Reimbursement Policy

Subsection G

The Department proposes to add language extending the definition of “Outlier Cases” to include individuals of any age in the state teaching hospital.

Section 12 (8.311.3.12): Prospective Payment Methodology for Hospitals

Subsection C

The Department proposes to add language regarding the computation of hospital prospective payments rates to specify that when a market basket index (MBI) inflation factor is applied, a notification will be sent informing the provider of the percentage increase that will be applied.

Subsection F

The Department proposes to add language extending the definition of "Outlier Cases". For the state teaching hospital, the Department proposes to define outlier cases as those cases for eligible recipients of any age with medically necessary services exceeding \$200,000 in billed charges or with medically necessary lengths of stay of 75 calendar days or more.

In this section, the Department also proposes language to include nationally-accredited primary care residency programs as a qualifying factor for teaching hospitals eligible for an Indirect Medical Education (IME) adjustment. It also clarifies that the IME adjustment payment will be calculated separately for traditional Medicaid and the Other Adult Group expansion categories.

There is also proposed language in this section that describes the allocation methodology for Graduate Medical Education (GME),

Section 13 (8.311.3.13): Disproportionate Share Hospitals (DSH)

Subsection E

The Department proposes to add a section specifying that the Department has one year from the date of discovery of an overpayment to a provider to recover or seek to recover overpayment before the federal share must be refunded to the federal Centers for Medicare and Medicaid Services (CMS). The provider will be notified of the overpayment, including the dollar amount that is subject to recovery. The provider has 90 calendar days from the date of notification to submit the payment in full unless otherwise directed by the department.

Section 14 (8.311.3.14): Determination of Actual, Allowable, and Reasonable Costs

Subsection C

As a result of a federal review, the Department proposes to add language allowing more time for hospitals to submit cost reports. Cost reports must be submitted within five months after the close of the hospital's fiscal year. Previously, the time requirement was 90 days. Because of this federal requirement, HSD implemented this provision of the rule through an Interim Policy and Procedure that was effective on July 1, 2018.

Penalties for failure to file a report within the required time frames are also specified in this section.

VI. RULE

This proposed rule will be contained in 8.311.3 NMAC, *Methods and Standards for Establishing Payment - Inpatient Hospital Services*. This register and the proposed rule are available on the HSD website at: <http://www.hsd.state.nm.us/LookingForInformation/registers.aspx> and <http://www.hsd.state.nm.us/2017-comment-period-open.aspx>. If you do not have internet access, a copy of the proposed register and rule may be requested by contacting 505-827-6252.

VII. EFFECTIVE DATE

The Department proposes to implement this rule effective December 1, 2018.

VIII. PUBLIC HEARING

A public hearing to receive testimony on this proposed rule will be held on September 13, 2018, in the Rio Grande Room, Toney Anaya Building, 2550 Cerrillos Road, Santa Fe, NM 87505 at 9:30 a.m. to 10:30 a.m., Mountain Daylight Time (MDT).

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 MAD in Santa Fe at (505) 827-6252. The Department requests at least 10 working days advance notice to provide requested alternative formats and special accommodations.

Copies of all comments will be made available by MAD 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

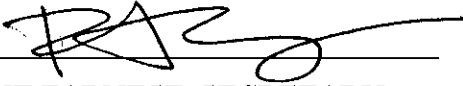
Interested persons may address written comments to:

Human Services Department
Office of the Secretary
Attn: Medical Assistance Division Public Comments
P.O. Box 2348
Santa Fe, NM 87504-2348

Recorded comments may be left at (505)827-1337. Interested persons may also address comments via electronic mail to: madrules@state.nm.us. Written mail, electronic mail and recorded comments must be received no later than 5 p.m. MDT on September 14, 2018. Written and recorded comments will be given the same consideration as oral testimony made at the public hearing.

X. PUBLICATION

Publication of this rule approved by:

A handwritten signature in black ink, appearing to read 'Brent Earnest', is written over a horizontal line.

BRENT EARNEST, SECRETARY
HUMAN SERVICES DEPARTMENT