

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

Attachment 4.19 – A
Page 18

4. **Payment for Inappropriate Brief Admissions**

Hospital stays of up to two days in length will be reviewed for medical necessity and appropriateness of care. (Discharges involving health mothers and healthy newborns are excluded from this review requirement.) If it is determined that the inpatient stay was unnecessary or inappropriate, the prospective payment for the inpatient discharge will be denied. If the inpatient claim is denied, the hospital is permitted to resubmit an outpatient claim for the services rendered. Such review may be further focused to exempt certain cases at the sole discretion of the Department.

5. **Payment for Non-Medically Warranted Days**

- a. Reimbursement for hospital patients receiving services at an inappropriate level of care will be made at rates reflecting the level of care actually received. The number of days covered by the Medicaid program is determined based only upon medical necessity for an acute level of hospital care.
- b. When it is determined that an individual no longer requires acute-level care but does require a lower level of institutional care, and when placement in such care cannot be located, the hospital will be reimbursed for "awaiting placement" days. Reimbursement will be made at the weighted average rate paid by the Department in the preceding calendar year for the level of care needed. There is no limit on the number of covered "awaiting placement" days as long as those days are medically necessary. However, the hospital is encouraged to make every effort to secure appropriate placement for the individual as soon as possible. During "awaiting placement" days, no ancillary services will be paid, but medically necessary physician visits will be reimbursed.

6. **(Intentionally left blank)**

7. **(Intentionally left blank)**

STATE	<u>New Mexico</u>	A
DATE RECD	<u>3-26-2014</u>	
DATE APPVD	<u>NOV 04 2014</u>	
DATE EFF	<u>4-1-2014</u>	
ISS# 179	<u>14-04</u>	

TN No. 14-04

Approval Date NOV 04 2014

Supersedes TN No. 92-14

Effective Date April 1, 2014

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

PAGES 19-20 INTENTIONALLY LEFT BLANK

STATE	New Mexico	A
DATE REC'D	3-26-2014	
DATE APPROV'D	NOV 04 2014	
DATE EFF	4-1-2014	
ISSUE 179	14-04	

TN No. 14-04

Approval Date NOV 04 2014

Supersedes TN No. 01-04 and 12-01

Effective Date April 1, 2014