



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

June 30, 2015

Bill Brooks, Medicaid Associate Regional Administrator  
Division of Medicaid and Children's Health  
Centers for Medicare and Medicaid Services  
1301 Young St.  
Dallas, TX 75202

Dear Mr. Brooks,

Enclosed are documents related to New Mexico State Plan Amendment (SPA) 15-013, Nursing Facility Rate Increase.

The purpose of this SPA is to update the language regarding the nursing facility rates to include a 4% increase in the "low level" nursing facility rate for private nursing facilities effective July 1, 2015.

We appreciate your consideration of this state plan amendment.

Should you have any questions on this amendment, please contact Ellen Costilla at [Ellen.Costilla@state.nm.us](mailto:Ellen.Costilla@state.nm.us) or at (505) 827-3180.

Sincerely,


Nancy Smith Leslie  
Director

Copies:

Stacey Shuman, CMS

Robert Stevens, MAD Chief, Program Policy & Integrity Bureau

Ellen Costilla, MAD, Health Care Operations Manager

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>		1. TRANSMITTAL NUMBER: 15-13	2. STATE New Mexico
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
FOR: HEALTH CARE FINANCING ADMINISTRATION		4. PROPOSED EFFECTIVE DATE July 1, 2015	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES			
5. TYPE OF PLAN MATERIAL ( <i>Check One</i> ):			
<input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT ( <i>Separate Transmittal for each amendment</i> )			
6. FEDERAL STATUTE/REGULATION CITATION:  42 CFR 447		7. FEDERAL BUDGET IMPACT:  for FFY 2015: \$1,467,634 for FFY 2016: \$5,870,534	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  Attachment 4.19 – A, pages 11		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT ( <i>If Applicable</i> ):  Attachment 4.19-D, Part 1, page 11 same page from TN 69-06 approved 06/18/06	
10. SUBJECT OF AMENDMENT: Nursing Facility Rate Increase			
11. GOVERNOR'S REVIEW ( <i>Check One</i> ):			
<input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT		X OTHER, AS SPECIFIED: Authority Delegated to the Medicaid Director.	
<input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED			
<input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO: Nancy Smith Leslie, Director Medical Assistance Division P.O. Box 2348 Santa Fe, NM 87504 – 2348	
13. TYPED NAME: Nancy Smith Leslie			
14. TITLE: Director, Medical Assistance Division			
15. DATE SUBMITTED: 6/30/2015			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
17. DATE RECEIVED:		18. DATE APPROVED:	
<b>PLAN APPROVED – ONE COPY ATTACHED</b>			
19. EFFECTIVE DATE OF APPROVED MATERIAL:		20. SIGNATURE OF REGIONAL OFFICIAL:	
21. TYPED NAME:		22. TITLE:	
23. REMARKS:			

A. Base Year

Rebasing of the prospective per diem rate will take place every three years. Therefore, the operating years under this plan will be known as Year 1, Year 2, and Year 3. Because rebasing is done every three years, operating year 4 will again become Year 1, etc.

Cost incurred, reported, audited and/or desk reviewed for the provider's last fiscal year which falls in the calendar year prior to year 1 will be used to re-base the prospective per diem rate. Rebasing of costs in excess of 110% of the previous year's audited cost per diem times the index (as described further on in these regulations) will not be recognized for calculation of the base year costs.

For implementation Year1 (effective July 1, 1984) the base year is the provider's last available audited cost report prior to January 1, 1984.

Rebasing will occur out of cycle for rates effective January 1, 1996, using the provider's FYE 1994 audited cost report. The rate period January 1, 1996, through June 30, 1996, will be considered Year 1. The rate period July 1, 1996, through June 30, 1997, will be considered Year 2, and the rate period July 1, 1997, through June 30, 1998, will be considered year 3. The rebasing cycle will resume for rates effective July 1, 1998, and continue as described in the first paragraph of this section.

Effective for dates of service on or after July 1, 2015, each private nursing facility's existing "Low Level of Care" rate is increased 4%.

B. Inflation factor to recognize economic conditions and trends during the time period covered by the provider's prospective per diem rate.

The index used to determine the inflation factor will be the Health Care Financing Administration Nursing Home Market Basket Index (NHI).

Each provider's operating costs will be indexed up to a common point of 12/31 for the base year, and then indexed to a mid-year point of 12/31 for operating Year 1. For the out of cycle rebasing occurring for rates effective January 1, 1996,