Financial Management Group

NOV 04 2014

Ms. Julie Weinberg, Director
New Mexico Human Services Department
Medical Assistance Division
Post Office Box 2348- ARK
Santa Fe, New Mexico 87504-2348

RE: New Mexico 14-04

Dear Ms. Weinberg:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 14-04. The purpose of this amendment is to delete the pages in the New Mexico state plan governing the methodology for computing inpatient supplemental Medicaid payments for Sole Community hospitals and a State hospital.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a), and 1923 of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C. As part of the review process the State was asked to provide information regarding access to care issues and the funding of the State share of expenditures under Attachment 4.19-A.

Based upon your assurances, Medicaid State plan amendment 14-04 is approved effective April 1, 2014. We are enclosing the HCFA-179 and the amended plan pages.

If you have any questions, please call Tamara Sampson at (214) 767-6431.

Sincerely,

[Signature]
Timothy Hill
Director

Enclosures
From: Sampson, Tamara L. (CMS/CMCHO) [Tamara.Sampson@cms.hhs.gov]  
Sent: Wednesday, November 05, 2014 1:55 PM  
To: Weinberg, Julie, HSD  
Cc: Toal, Russell, HSD; Costilla, Ellen, HSD; Onstott, Matt, HSD; Pahl, Mark W. (CMS/CMCS); Farrell, Billy B. (CMS/SC); Shuman, Stacey S. (CMS/SC); Jackson, Teresa K. (CMS/CMCHO); Brown, Virginia M. (CMS/CMCHO); Kuennen-Breen, Caitlin, HSD; Earnest, Brent, HSD; Stevens, Robert J., HSD; Marks, Marsha L. (CMS/SC)  
Subject: Approval of NM 14-04

Good Afternoon Ms. Weinberg,

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 14-04. The purpose of this amendment is to delete the pages in the New Mexico state plan governing the methodology for computing inpatient supplemental Medicaid payments for Sole Community hospitals and a State hospital.

Based upon your assurances, Medicaid State plan amendment 14-04 is approved effective April 1, 2014. We are enclosing the HCFA-179 and the amended plan pages.

Have a good day!

Tamara Sampson

Health insurance Specialist for the National Institutional Reimbursement Team

Centers for Medicare & Medicaid Services  |  Dallas Regional Office  |  Region VI  |  Division of Medicaid and Children's Health  |  1301 Young St, Room 827, Dallas, TX 75202  |  Tamara.Sampson@cms.hhs.gov  |  (214) 767-6431  |  (214) 767-0322  
Please consider the environment before printing this e-mail.
**TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL**

**FOR:** HEALTH CARE FINANCING ADMINISTRATION  
**TO:** REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

1. TRANSMITTAL NUMBER:  
14-04

2. STATE  
New Mexico

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE  
April 1, 2014

5. TYPE OF PLAN MATERIAL (Check One):  
☐ NEW STATE PLAN  
▢ AMENDMENT TO BE CONSIDERED AS NEW PLAN  
X AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:  
42 CFR 447  
42 CFR 412.92

7. FEDERAL BUDGET IMPACT:  
for FFY 2014: 
for FFY 2015:

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  
Attachment 4.19-A; page 18  
Attachment 4.19-A; page 19 (intentionally left blank)  
Attachment 4.19-A; page 20 (intentionally left blank)

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):  
Attachment 4.19-A, page 18; supersedes pages 18 (TN No. 92-14), 19 (TN No. 01-04), 19a, 19b, 19c, and 20 (TN No. 12-01)  
Attachment 4.18-A, pages 19 and 20 (intentionally left blank) supersedes page 20a (TN No. 00-09)

10. SUBJECT OF AMENDMENT:  
Removal of Sole Community Provider Payment Adjustment and State Operated Teaching Hospital Adjustment

11. GOVERNOR'S REVIEW (Check One):  
☐ GOVERNOR'S OFFICE REPORTED NO COMMENT  
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

X OTHER, AS SPECIFIED: Authority Delegated to the Medicaid Director.

12. SIGNATURE OF STATE AGENCY OFFICIAL:  
[Signature]

13. TYPED NAME: Julie B. Weinberg

14. TITLE: Director, Medical Assistance Division

15. DATE SUBMITTED: March 5, 2014; revised 9/25/14

16. RETURN TO:  
Julie B. Weinberg, Director  
Medical Assistance Division  
P.O. Box 2348  
Santa Fe, NM 87504 – 2348

17. DATE RECEIVED: March 26, 2014

18. DATE APPROVED: NOV 04 2014

19. EFFECTIVE DATE OF APPROVED MATERIAL:  
April 1, 2014

20. SIGNATURE OF REGIONAL OFFICIAL:  
[Signature]

21. TYPED NAME: [Name]

22. TITLE: [Title]

23. REMARKS: [Remarks]
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)**

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**STATE** New Mexico  
**DATE REC'D.** 2/26/2014  
**DATE APP'ED.** Nov 04 2014  
**DATE EFF.** 4/1/2014  
**TN No.** 14-04  
**Supersedes TN No.** 92-14  
**Approval Date** Nov 04 2014  
**Effective Date** April 1, 2014