

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
1301 Young Street, Room 833
Dallas, Texas 75202



Division of Medicaid & Children's Health, Region VI

November 25, 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 Companion letter to TN#14-05

Dear Ms. Weinberg:

This letter is being sent as a companion to our approval of New Mexico State plan amendment (SPA) 14-05 that increased the inpatient hospital fee for service rates for Sole Community hospitals and a State hospital effective April 1, 2014.

Attachment 4.19-A page 6a notes that the rates will be updated annually for inflation, effective October 1 each year, using the methodology in paragraph C.1.

It states the following:

C. Computation of Hospital Prospective Payment Rates

1. Rebasing of Rates

Beginning October 1, 1997, the Department will discontinue the rebasing of rates every three years. Hospital rates in effect October 1, 1996 will be updated every October 1 using the prospective payment system hospital market basket index forecasts published in the HCFA Dallas Regional Medical Services letter issued for the quarter ending in June each year.

For example, the Department will use the Dallas Regional Medical Services letter issued for June 1998 to determine the inflation factor that will be used to update rates October 1, 1998.

Please note that the Dallas Regional has not issued letters for inflation factors for several years. CMS encourages State to utilize the global inflation factor located on Medicaid.gov. The State must update this plan page to reflect current inflation factors. Please resubmit a revised 4.19-A plan page.

The State has 90 days from the date of this letter, to address the issues described above. Failure to respond may result in the initiation of a formal compliance process. During the 90 days, CMS will provide any required technical assistance.

If you have any questions, please contact Tamara Sampson, of my staff, at (214) 767-6431 or by e-mail at Tamara.Sampson@cms.hhs.gov.

Sincerely,

A handwritten signature in black ink that reads "Bill Brooks". The signature is written in a cursive, slightly slanted style.

Bill Brooks
Associate Regional Administrator
Division of Medicaid and Children's Health Operations

cc: Ellen Costilla