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State/Territory Name: New Mexico

State Plan Amendment (SPA) #: 20-0017

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, MD 21244-1850



Financial Management Group

January 14, 2021

Ms. Nicole Comeaux, J.D., M.P.H.,
Director Medical Assistance Division
P.O. Box 2348
Santa Fe, NM 87504-2348

RE: New Mexico State Plan Amendment (SPA) 20-0017

Dear Ms. Comeaux:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid state plan submitted under transmittal number (TN) 20-0017 effective for services on or after October 1, 2020. The purpose of this state plan amendment is to update DRG rates for inpatient hospital services for Intensive Care Unit inpatient hospital stays as well as all other inpatient hospital stays.

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 regulations at 42 CFR 447 Subpart C. We hereby inform you that Medicaid State plan amendment 20-0017 is approved effective October 1, 2020. We are enclosing the CMS-179 and the amended plan pages.

If you have any questions, please call Tom Caughey at (517) 487-8598.

Sincerely,

A solid black rectangular box redacting the signature of the sender.

For

Rory Howe
Acting Director

Enclosure

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER
2 0 — 0 1 7

2. STATE
New Mexico

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

TO: REGIONAL ADMINISTRATOR
CENTERS FOR MEDICARE & MEDICAID SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
October 1, 2020

5. TYPE OF PLAN MATERIAL (*Check One*)

- NEW STATE PLAN AMENDMENT TO BE CONSIDERED AS NEW PLAN AMENDMENT

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

6. FEDERAL STATUTE/REGULATION CITATION
42 CFR 447, SSA XVIII Sec. 1886, SSA XIX Sec. 1923

7. FEDERAL BUDGET IMPACT
a. FFY 20 \$0
b. FFY 21 \$0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-A Page 2
Attachment 4.19-A Page 2a

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (*If Applicable*)

HCFA 179 11-04
TN 11-06

10. SUBJECT OF AMENDMENT

Diagnosis Related Group (DRG) Payment

11. GOVERNOR'S REVIEW (*Check One*)

- GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL

[Redacted Signature]

16. RETURN TO

Nicole Comeaux, J.D., M.P.H., Director
Medical Assistance Division
P.O. Box 2348
Santa Fe, NM 87504-2348

13. TYPED NAME
Nicole Comeaux

14. TITLE
Director, Medical Assistance Division

15. DATE SUBMITTED
October 26, 2020

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED
10/26/2020

18. DATE APPROVED
01/14/21

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL
10/1/2020

20. SIGNATURE OF REGIONAL OFFICIAL
[Redacted Signature] For

21. TYPED NAME
Rory Howe

22. TITLE
Acting Director, FMG

23. REMARKS

ATTACHMENT 4.19-A

PAGE 2

Pediatric, psychiatric, substance abuse, and rehabilitation cases treated in non-exempt general acute care hospitals or non-PPS exempt units will be included in the PPS.

- D.** Indian Health Services hospitals will be reimbursed using a per diem rate established by the Federal Government.
- E.** New providers entering the Medicaid program will be reimbursed at the peer group median rate for the applicable peer group, until such time as rebasing occurs, unless the hospital meets the criteria for prospective payment exemption as described in subsection C and D above.
- F.** All hospital which meet the criteria in Section IV.A of this plan will be eligible for a disproportionate share adjustment.
- G.** Effective for discharges on or after April 1, 1992, and in accordance with Section 4604 of the Omnibus Budget Reconciliation Act (OBRA) of 1990, the Department provides for an outlier adjustment in payment amounts for medically necessary inpatient services involving exceptionally high costs or long lengths of stay for children who have not attained the age of six years in disproportionate share hospitals, and for infants under age one in all hospitals. The outlier adjustment for these cases is described in Section III. F. of this plan.
- H.** Effective October 1, 2020, the Diagnosis Related Group (DRG) provider-specific rates described in New Mexico Disaster SPA 20-0005 are terminated. Thereafter, the DRG payment will revert to the reimbursement methodology outlined in subsections A through C of Methods and Standards for Establishing Payment Rates – Inpatient Hospital Services.

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 2a

I. Payment Adjustment for Provider Preventable Conditions

Citation

42 CFR 447, 434, 438, and 1902(a)(4), 1902(a)(6), and 1903

The Medicaid agency meets the requirements of 42 CFR Part 447, Subpart A, and sections 1902(a)(4), 1902(a)(6), and 1903 with respect to non-payment for provider-preventable conditions.

Health Care-Acquired Conditions

The State identifies the following Health Care-Acquired Conditions for non-payment under Section 4.19(A) of this State plan.

X Hospital-Acquired Conditions as identified by Medicare other than Deep Vein Thrombosis (DVT)/Pulmonary Embolism (PE) following total knee replacement or hip replacement surgery in pediatric and obstetric patients.

Other Provider-Preventable Conditions

The State identifies the following Other Provider-Preventable Conditions for non-payment under Section 4.19(A) of this State plan.

X Wrong surgical or other invasive procedure performed on a patient; surgical or other invasive procedure performed on the wrong body part; surgical or other invasive procedure performed on the wrong patient.

___ Additional Other Provider-Preventable Conditions identified below:

NOT APPLICABLE

Effective July 1, 2011, reimbursement for inpatient hospital services shall be based on the Provider Preventable Conditions (PPC) policy defined in 42 CFR 447.26.

Provider-Preventable Conditions are defined as two distinct categories: Health Care-Acquired Conditions (HCAC) and Other Provider-Preventable Conditions (OPPC).

For DRG cases, the DRG payable shall exclude the diagnoses not present on admission for any Health-Care Acquired Conditions (HCAC). For per diem payments or cost-based reimbursement, the number of covered days shall be reduced by the number of days associated with diagnoses not present on admission for any HCAC. The number of reduced days shall be based on the average length of stay (ALOS) on the diagnosis tables published by the ICD vendor used by the New Mexico Medicaid program.

No payment shall be made for inpatient services for Other Provider Preventable Conditions (OPPCs). OPPCs include the three Medicare National Coverage Determinations: wrong surgical or other invasive procedure performed on a patient; surgical or other invasive procedure performed on the wrong body part; surgical or other invasive procedure performed on the wrong patient.

No reduction in payment for a provider preventable condition will be imposed on a provider when the condition defined as a PPC for a particular patient existed prior to the initiation of treatment for that patient by that provider.

Reductions in Provider payment may be limited to the extent that the following apply:

- i. The identified provider-preventable conditions would otherwise result in an increase in payment.
- ii. The State can reasonably isolate for nonpayment the portion of the payment directly related to treatment for, and related to, the provider-preventable conditions.

Non-payment of provider-preventable conditions shall not prevent access to services for Medicaid beneficiaries.

TN No. 20-0017

Approval Date 01/14/21

Supersedes TN. No. 11-06

Effective Date 10/1/2020