

NOTICE OF RULEMAKING

**The New Mexico Human Services Department  
Methods and Standards for Establishing Payment-Inpatient Hospital Services**

The New Mexico Human Services Department (HSD) is providing this notice for the purpose of receiving public comment regarding proposed amendments to the Methods and Standards for Establishing Payment-Inpatient Hospital Services rule (8.311.3) of the New Mexico Administrative Code (NMAC). There is no anticipated financial impact due to these proposed changes.

The Department proposes to add language extending the definition of “Outlier Cases”. For the state teaching hospital, HSD proposes to define outlier cases as those cases for eligible recipients of any age with medically necessary services exceeding \$200,000 in billed charges or with medically necessary lengths of stay of 75 calendar days or more.

In this section, the Department also proposes language to include nationally-accredited primary care residency programs as a qualifying factor for teaching hospitals eligible for an Indirect Medical Education (IME) adjustment. It also clarifies that the IME adjustment payment will be calculated separately for traditional Medicaid and the Other Adult Group expansion categories.

The Department also proposes to add language regarding the computation of hospital prospective payments rates, to specify that when a market basket index (MBI) inflation factor is applied, a notification will be sent informing the provider of the percentage increase that will be applied.

A new proposed section was added to Disproportionate Share Hospitals (DSH) to specify that the Department has one year from the date of discovery of an overpayment to a provider to recover or seek to recover overpayment before the federal share must be refunded to CMS. The provider will be notified of the overpayment, including the dollar amount that is subject to recovery. The provider has 90 calendar days from the date of notification to submit the payment in full unless otherwise directed by the department.

As a result of a federal review, the Department added language to allow more time for hospitals to submit cost reports. Cost reports must be submitted within five months after the close of the hospital’s fiscal year. Previously, the time requirement was 90 days. Because of this federal requirement, HSD implemented this provision of the rule through an Interim Policy and Procedure that was effective on July 1, 2018. Penalties for failure to file a report within the required time frames are specified in this section.

**OPPORTUNITY TO VIEW DOCUMENTS AND MAKE COMMENTS:** Medicaid providers, Medicaid recipients, and other interested parties are invited to make comments on this proposal. The complete draft rule amendments may be found on the Department’s website at:  
<http://www.hsd.state.nm.us/LookingForInformation/registers.aspx> and <http://www.hsd.state.nm.us/public-notices-proposed-rule-and-waiver-changes-and-opportunities-to-comment.aspx>.

A written copy of these proposed documents may be requested by contacting the HSD Medical Assistance Division (HSD/MAD) in Santa Fe at (505) 827-6252.

A public hearing to receive testimony on this proposed rule will be held in the Rio Grande Room, Toney Anaya Building, 2550 Cerrillos Road, Santa Fe, New Mexico on Thursday, September 13, 2018 from 9:30 a.m. to 10:30 a.m., Mountain Daylight Time (MDT).

Recorded comments may be left by calling (505) 827-1337. Electronic comments may be submitted to [madrules@state.nm.us](mailto:madrules@state.nm.us). Written, electronic and recorded comments will be given the same consideration as oral

testimony. All comments must be received no later than 5:00 p.m. MDT, September 14, 2018. Written or e-mailed comments are preferred because they become part of the record associated with these changes.

Interested persons may address written comments to:  
Human Services Department  
Office of the Secretary  
ATTN: Medical Assistance Division Public Comments  
P.O. Box 2348  
Santa Fe, New Mexico 87504-2348

Copies of all comments will be made available by HSD/MAD upon request by providing copies directly to a requestor or by making them available on the HSD/MAD website or at a location within the county of the requestor.