STATE OF NEW MEXICO
Human Services Department
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# New Mexico Human Services Department provides $35 million for state hospitals for COVID-19

SANTA FE – New Mexico Human Services Department (HSD) on Friday announced that it is providing $35 million in immediate financial help to New Mexico hospitals for the COVID-19 pandemic. Hospitals across the country are bracing for a surge in patient demand by reconfiguring clinical spaces, purchasing additional medical supplies, and redistributing their health care workforce. At the same time, hospitals are facing sharply declining revenue due to lower patient utilization because of social distancing requirements and the cancellation of elective surgeries to conserve equipment and supplies. The combination of increasing costs and declining revenue is putting an urgent strain on New Mexico hospitals.

"We are extremely grateful to those hospitals who have directly followed all recent New Mexico Public Health Orders *and* have maintained their full staffing levels in order to fully prepare for the surge of COVID-19 patients that is now just a few weeks away," said Sec. David R. Scrase, M.D. "We believe that these advance payments will provide extra resources to prepare for what will likely be the greatest challenge our healthcare system has ever faced."

The Human Services Department will immediately distribute $35 million in relief funding to hospitals through the Medicaid program. The relief funding includes the release of $14 million in Disproportionate Share Hospital (DSH) payments and $21 million in Uncompensated Care (UC) payments for safety-net hospitals. HSD is also seeking federal approval to make advance payments to hospitals now for expected increases in hospital care provided to Medicaid patients as a result of COVID-19.

"Providing support to New Mexico hospitals is more important than ever," said Medicaid Director Nicole Comeaux. "We cannot afford to have hospitals bear the burden of this financial strain at a time when New Mexicans need these health care facilities the most."

The Medicaid program provides health insurance to more than 830,000 New Mexicans, or 42 percent of the state's population. According to Comeaux, the high proportion of Medicaid patients in New Mexico means that HSD has a market obligation to provide this financial boost to the state's hospital system.

"We have a responsibility to do everything we can to assure that our hospitals are ready to handle this pandemic for Medicaid patients," states Comeaux.

HSD is working closely with the federal Centers for Medicare and Medicaid Services (CMS) to obtain flexibility in how relief funding to hospitals is distributed. This may include additional advance payments, if CMS will allow it. Comeaux said that funding for the DSH and UC payments that will be made to hospitals is

already included in the HSD budget. Typically, payments would be made on a quarterly basis but HSD will seek federal approval to distribute payments upfront for the entire year. HSD is continually exploring additional options to increase payments to hospitals and other providers and will implement these options as quickly as possible.

The Human Services Department provides services and benefits to more than 1 million New Mexicans through several programs including: the Medicaid Program, Temporary Assistance for Needy Families (TANF) Program, Supplemental Nutrition Assistance Program (SNAP), Child Support Program, and several Behavioral Health Services.

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