STATE OF NEW MEXICO
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HSD announces $46.2 million in new Medicaid payments to nursing facilities

SANTA FE – Nursing facilities across New Mexico will share $46.2 million in new Medicaid payments to help them mitigate and control the spread of COVID-19 among employees and highly vulnerable residents, the Human Services Department (HSD) announced today.

This funding provides immediate financial help to nursing facilities across the state that are on the frontlines of the COVID-19 pandemic, fighting a surge of positive tests and deaths among both workers and patients -- who are especially at risk of complications, hospitalization and death from the virus.

The new Medicaid payments were authorized by a 2019 state law that created the Health Care Quality Surcharge program.

“This new program represents an unprecedented investment in New Mexico’s nursing facilities at a time when they are working tirelessly to protect some of the most vulnerable New Mexicans,” said Human Services Department Deputy Secretary Kari Armijo. “These payments will help assure that our facilities are in the best possible position to continue devoting needed resources to keep our loved ones as safe as possible in the fight against the COVID-19 pandemic.”

The program imposes a daily surcharge on certain types of New Mexico facilities. The facilities pay the surcharge to the New Mexico Taxation and Revenue Department to make up the state’s portion of increased Medicaid payments. In turn, the Human Services Department can leverage additional federal funding in the form of higher Medicaid reimbursements and new quality bonuses.

Implementing the new program required a strong and collaborative partnership between the Taxation and Revenue and Human Services departments, the Centennial Care managed care organizations, the New Mexico Health Care Association, and facilities affected by the surcharge.

“New Mexico’s Nursing Facilities are excited to see the implementation of the Health Care Quality Surcharge as it offers much needed financial resources to these facilities in their continued pursuit of providing high quality health care to residents and patients,” said Vicente Vargas, Executive Director of the New Mexico Health Care Association. “The New Mexico Health Care Association and its nursing facility members appreciate the collaboration between the Human Services Department and long-term care providers so that New Mexico long-term care patients and residents receive the maximum benefit from this surcharge.”

To implement the program, Taxation and Revenue developed a new IT module and web portal to let providers review data and make their surcharge payments. The system was designed to minimize effort for customers and ensure full automation.

“TRD is proud to have collaborated with HSD to deliver this efficient, customer-friendly system that will improve the lives of vulnerable New Mexicans,” said Taxation and Revenue Secretary Stephanie Schardin Clarke.

The first facility payments for the surcharge program were due to Taxation and Revenue on April 27, and state law required Human Services to send the higher Medicaid disbursements to facilities by April 30. Armijo said her agency met that deadline.

Human Services Secretary Dr. David R. Scrase acknowledged the legislative leadership of Sen. Gerald Ortiz y Pino, who sponsored the Health Care Quality Surcharge Act in 2019.

“Thanks to the senator’s vision, New Mexico had an extraordinary opportunity to make this investment in our state’s nursing facilities to improve and advance quality of care for seniors. The timing of these payments in the midst of pandemic conditions is optimal and means that our facilities will not have to cut corners when their focus needs to be on assuring patient health and safety first and foremost.”

The Medicaid program provides health insurance to more than 830,000 New Mexicans, or 42 percent of the state’s population. According to Armijo, Medicaid is the primary payer of nursing facility care in New Mexico.

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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