STATE OF NEW MEXICO
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New Mexico hospitals to receive $66 million to combat COVID-19

12.4 to 50 percent Medicaid rate increase

SANTA FE – New Mexico hospitals will receive a Medicaid rate increase of up to 50percent, an estimated $66 million in additional payments to help assist them for losses they are experiencing during the public health emergency caused by the COVID-19 pandemic, the New Mexico Human Services Department announced Monday. This increase will continue for the duration of the national emergency.

"New Mexico Medicaid health care providers are on the front lines -- carrying out heroic work in response to the COVID-19 pandemic," said Sec. David R. Scrase, M.D. "We want all those who put themselves at risk to serve our most vulnerable New Mexicans to have the additional financial support they need during this crisis."

The New Mexico Medical Assistance Division received approval from the Centers for Medicare and Medicaid services to provide a significant rate increase to hospitals across the state. Retroactive to April 1, 2020, the Medicaid program will increase reimbursement for inpatient hospital stays by 12.4 percent, taking it to 100 percent of the Medicare rate, and will increase reimbursement for Intensive Care Unit stays by 50 percent for the duration of the public health emergency.

"The significant increase in ICU payments reflects the level of concern that the Human Services Department has for our state's most scarce resource during the pandemic," noted Secretary Scrase. "As part of the Medical Advisory Team's crisis planning, hospital ICU capacity across the state will double. This will dramatically increase hospital costs in many categories, including medical and nursing staff, ventilators and other critical care devices, and personal protective equipment. It is very important to all of us that our hospitals have sufficient financial support to provide with high quality intensive care to every New Mexican who needs it during the pandemic."

This funding follows a series of strategic steps the Medicaid program has taken to financially support New Mexico providers. In addition to these significant rate increases, the Medicaid agency has pushed out $35 million in hospital payments ahead of schedule and released $46.2 million in new Medicaid payments to help nursing facilities mitigate and control the spread of COVID-19 among employees and highly vulnerable residents.

"Hospitals are critical to our state's ability to combat the coronavirus, so we are very happy to be able to implement this rate increase. However, we know there are other providers who still need financial assistance and we are committed to working diligently to navigate federal requirements to deliver

additional financial relief to our health care community," said Nicole Comeaux, the State Medicaid Director.

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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