

Sole Community Provider Program – Quick Fact Sheet

What is it?

The Sole Community Provider Program (SCP) is a system of payments for indigent patient care to SCP Hospitals under a special program in New Mexico's Medicaid Plan (federal/state partnership). The federal share is funded by Medicaid dollars and is ~ 75% and the State's share is funded by Counties via an intergovernmental transfer (IGT) and is ~ 25%.

Background

- State Law 1993
- Was established under the Indigent Hospital and County Health Care Act
- The SCP Program is funded by Counties, but administered by the New Mexico Human Services Department. The SCP Fund is held in the State Treasury.
- The amounts available for allocation were initially based on the amount of SCP Hospital claims as processed and approved by its primary County for the previous fiscal year.
- The criteria for SCP Hospital designation are based on federal Medicare guidelines in the Social Security Act.

How does it work?

- The SCP Hospital makes an annual request for approval by the County Commission by January 15.
- The State makes their adjustments and advises the County their quarterly obligations for the FY.
- The County pays their quarterly obligation and the State matches it with Medicaid dollars.
- The State pays the SCP payment directly to the SCP Hospital usually in the month following the quarter end.
- The SCP Hospital submits inpatient and outpatient claims to the County Indigent Program for processing on a continual basis, based on guidelines established by each County.
- County staff presents SCP Hospital claims to the Commission for consideration of approval.
- Once they are approved, these claims are not paid directly to the SCP Hospital; rather they are credited against the funds they receive from the SCP program.

SCP vs. UPL

In 1999/2000, an Upper Payment Level (UPL) component was added as a one time, once a year, supplemental payment. The payment is determined by a complex formula managed by the HSD Medical Assistance Division. It's based on the difference between what Medicaid pays hospitals vs. what Medicare pays hospitals for the same services. By the calculation, Medicaid pays less than Medicare so the supplemental payment takes hospital payments "up to" the Medicare level, hence the UPL.

Fiscal Impact

The County Indigent and Sole Community Provider Programs will provide over \$160 Million in support to New Mexico hospitals in FY 2013. The leveraging of local funds has allowed many rural hospitals to survive and continue to provide services to thousands of uninsured and indigent patients.

Centennial Care

HSD submitted an 1115 waiver which includes the SCP program. The proposal divides SCP into two sub-pools; the Uncompensated Care Pool and the Delivery System Reform Incentive Program Pool (DSRIP). The transition is pending.