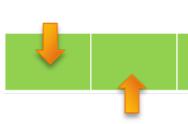
Medicaid Nursing Facility (NF) Payment History Since 2007

July 1, 2007, fee for service NF rates were based on actual costs in 2005-2006; allowable costs were subject to operating & capital cost ceilings. July 1, 2012, 11.27% rate increase was based on \$8 million budget appropriation. This increase was necessitated by Medicare cuts to the Skilled Nursing Facility prospective payment system.

January 1, 2014, Medicaid changed NF medical criteria to classify patients into the lower paid category resulting in an estimated \$30 million annual revenue reduction to NF providers.

September 1, 2014, Medicaid changed NF medical criteria to classify some patients back into the higher paid category of care, restoring approximately \$5-7 million annual revenue impact to NF providers. November, 2015, projected losses for all NFs (State operated and private facilities) are based on 2014 Medicaid cost report expenses inflated forward by 2.3%. Results show 2015 shortfall of \$41 million total dollars (\$11 million general fund). When cost center ceilings are applied and expected provider cost restraint is factored, the loss is mitigated to \$9 million general fund annual shortfall.

October, 2016, LFC Program Report, Cost, Quality and Financial Performance of Nursing Homes in New Mexico, states "Medicaid nursing home rates for the most common level of care were equivalent to 85 percent of the daily cost for a nursing home to care for a patient in CY14."



Late 2008-early 2009 CoLTS managed care "negotiated rates" were typically the same as fee for service rates. Rate transparency ends with managed care contracting. January 1, 2014, Centennial Care "negotiated rates" were typically the same as fee for service rates.

July 1, 2014, managed care "Negotiated Rates" were Increased by 3.65% based on \$2 million of State budget appropriation.

July 1, 2015, 4% increase in low NF rates included in FY 16 budget. HSD's budget also included funding for development of a new payment system for nursing facilities based on patient needs or acuity. That project has been dropped.

NMHCA's ask for a \$9 million general fund appropriation for a new case mix payment was lost as state budget revenue shortfalls increased before and during the 2016 legislative session. Specifically, underestimating the # of individuals that would enroll in Medicaid & the ACA state share of cost that is soon to take effect represents a 5% state cost for Medicaid.

October, 2017, problems with survey performance and quality measures of care have escalated, financial constraints are unsustainable, and one company with 12 NM facilities has filed for Chapter 11 bankruptcy protection while daily nursing facility under funding for 2017 is now projected in excess of \$33 for each day of a Medicaid patient's care.