

SANTA FE COUNTY

Resolution No. 2007 - 75

A Resolution Urging Centers Medicare and Medicaid Services (CMS) to withdraw a proposed rule restricting Medicaid payments to public providers

WHEREAS, authorized under Title XIX of the Social Security Act, Medicaid is a means-tested entitlement program administered by the states; and

WHEREAS, Medicaid provides health and long-term care insurance to approximately 53 million low-income children, families, seniors, and persons with disabilities at a total cost of over \$300 billion; and

WHEREAS, both federal and state governments finance the Medicaid program based on the federal medical assistance percentage (FMAP) which is individually calculated for each state; and

WHEREAS, in many states, counties are ultimately responsible for the provision of health care to the uninsured, and counties rely heavily on the Medicaid program for support; and

WHEREAS, many states also look to counties to provide funds to help finance the Medicaid program; and

WHEREAS, counties play a unique role as both payers and providers in the Medicaid program; and

WHEREAS, all levels of government are experiencing budget deficits, while at the same time, the number of uninsured and the cost of health care have increased dramatically, placing increased strain on state Medicaid programs; and

WHEREAS, there is a proposed rule coming forward by the Centers Medicare and Medicaid Services (CMS) that could cost state and local governments millions of dollars in lost payments and seriously jeopardize services for the poor and uninsured; and

WHEREAS, specifically, the rule would restrict the definition of "unit of government" by only allowing those entities with "generally applicable taxing authority" to be able to

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contribute to the nonfederal share of Medicaid through intergovernmental transfers (IGT) and Certified Public Expenditures (CPE); and

WHEREAS, by adding the taxing authority language, the rule may disqualify many types of providers, including some university hospital systems and other institutions considered currently to be "public"; and

WHEREAS, the rule would restrict the types of allowable sources of IGT and CPE funding by limiting IGTs to tax revenues and CPEs only for services documented and reimbursed under a Medicaid cost-based reimbursement method; and

WHEREAS, Congress has acknowledged that the program is a federal, state and county partnership by specifically prohibiting CMS from regulating certain protected IGTs and CPEs; and

WHEREAS, this proposed restriction also goes beyond the department's authority; and

WHEREAS, the rule would impose cost limits on Medicaid payments that would have the effect of only covering the cost of the service provided, with no margin for using funds to supplement coverage of the uninsured; and

WHEREAS, additionally, this limitation could be interpreted as prohibiting disproportionate- shared hospitals from receiving reimbursement for the general costs associated with maintaining and operating the facilities. The cost definition should include all costs associated with providing care and operating a public hospital; and

WHEREAS, the regulation would become effective Sept. 1, 2007 leaving little time for state legislatures and county governments to enact conforming legislation and administrative changes to their current programs; and

WHEREAS, the rule also applies to states that are operating CMS- approved Section 1115 waiver programs. If the proposed regulation are not withdrawn, states should be given ample time to make necessary changes. Additionally, CMS should clarify that changes will be prospective and not retroactive; and

WHEREAS, this attempt at administrative changes to the program will do nothing more than reduce funding and shift costs to the state and counties.

NOW, THEREFORE, BE IT RESOLVED, that the Board of County Commissioners of Santa Fe County hereby:

- Opposes the proposed rule which would impose cost limits on Medicaid payments ; and
- Urges Centers Medicare and Medicaid Services (CMS) to withdraw a proposed rule restricting Medicaid payments to public providers.

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PASSED, APPROVED AND ADOPTED this 29th day of May, 2007.

BOARD OF COUNTY COMMISSIONERS

Virginia Vigil
Virginia Vigil, Chairwoman



Valerie Espinoza
Valerie Espinoza, Santa Fe County Clerk

APPROVED AS TO FORM:

Stephen C. Ross
Stephen C. Ross, Santa Fe County Attorney



COUNTY OF SANTA FE)
STATE OF NEW MEXICO) ss

BCC RESOLUTIONS
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I Hereby Certify That This Instrument Was Filed for
Record On The 30TH Day Of May, A.D., 2007 at 14:09
And Was Duly Recorded as Instrument # 1485315
Of The Records Of Santa Fe County

Deputy *Manuela Calzadas* Witness My Hand And Seal Of Office
Valerie Espinoza
County Clerk, Santa Fe, NM

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