SANTA FE COUNTY HEALTHCARE ASSISTANCE PROGRAM
HEALTHCARE CLAIM
RULES AND REGULATIONS

INTRODUCTION

The Santa Fe County Healthcare Assistance Program ("HAP") is a program administered by the Board of County Commissioners, in its capacity as the County Indigent Hospital and Health Care Board ("Board"). The HAP was established in accordance with the Indigent Hospital and County Health Care Act ("Indigent Act")[1].

The program provides assistance to medically indigent patients ("Patients") who are residents/citizens of Santa Fe County for costs of ambulance and medical services ("Services") provided by eligible providers ("Providers"). Providers eligible for HAP compensation include certain ambulance services, hospitals licensed by the New Mexico Department of Health, nursing homes, in-state licensed home health agencies, in-state licensed hospices, community-based programs providing primary and prenatal care, drug and alcohol rehabilitation centers, mental health agencies, and certain out-of-state hospitals licensed by their state licensing authority.

Administration of the HAP Fund follows the rules and regulations set out below. Eligibility for HAP assistance is dealt with in Part I, rights and duties of providers in Part II, and the application process in Part III.

I. ELIGIBILITY FOR HEALTHCARE ASSISTANCE PROGRAM:

Eligibility of Patients is described in Section A below; types of Providers eligible for HAP compensation are dealt with in Section B below; various limitations concerning HAP are described in Section C below.

A. PATIENT ELIGIBILITY REQUIREMENTS:

In order to be eligible for HAP assistance, a Patient must be medically indigent (See definition in Section #1 below), must be a resident of Santa Fe County (See Section #2 below), and must not be eligible for Medicaid (See Section #3 below). There are special rules that apply to deceased Patients (See Section #4 below).

1. Determination of Indigence:

A Patient who has received Services from an eligible Provider, and who can normally support himself/herself and dependents on present income and available liquid assets, but, taking into consideration this income and those assets and the requirement for other necessities of life for himself/herself and dependents, is unable to pay the costs of ambulance transportation or medical services or both is defined as medically indigent.

[1] Section 27-5-1.et seq., New Mexico Statutes Annotated, 1978 Compilation, as amended.

The term Patient includes a minor who has **been denied Medicaid,** and has received Services from a Provider, and whose parent or the person having custody of that minor would qualify as a Patient if they received Services from a Provider.

"Liquid assets" is defined to include cash and all other funds in checking and savings accounts, other assets may be considered at discretion of staff (certificate of deposit, credit union accounts, stocks, bonds, real estate), and the cash value of any life insurance if the Patient is deceased at time of application.

"Necessities of life" is defined to include the costs of food, shelter, clothing, utilities and vehicle/transportation expenses.

Santa Fe County HAP has set financial guidelines dealing with income and assets, in addition to residency requirements, in order to determine if a Patient is eligible for HAP assistance. The gross income based on the number of individuals in a household or family cannot not exceed 80% of median average income as published annually in the Federal Register by the United States Department of Housing and Urban Development (HUD). (Family members over 18 and residing with the Patient are not considered dependents unless they are disabled, full-time students, or elderly residents who require care.) If the income guidelines are met and a household has liquid assets in the amount of $20,000 or less and an individual has liquid assets in the amount of $10,000 or less the Patient will be eligible for HAP assistance.

2. <u>Residency in Santa Fe County</u>:

Any person applying for HAP assistance must have resided in Santa Fe County continuously and without interruption, for a period of ninety- (90) days before the date of service or hospitalization.

A minor child is eligible for HAP assistance only if his/her custodial parent resides in Santa Fe County, and only if the custodial parent would qualify to receive HAP assistance. If only one of the parents of a minor child of separated or divorced parents resides in Santa Fe County, the applicant must produce any Separation Agreement or Divorce Decree which pertains to the custody of the minor child and to the responsibility for payment of medical expenses.

3. <u>Medicaid Eligibility</u>:

HAP assistance is not available to any Patient who meets the eligibility criteria for Medicaid as determined by the Department of Human Services.

4. <u>Reimbursement of Decedent's Medical Bills</u>:
HAP assistance may not be used for conservation of an estate for the benefit of any heir.

a) A decedent's estate must first be used to pay all or part of the decedent's medical bills. Anyone applying for HAP assistance must produce all probate documents and insurance policies, if any, at the request of the HAP staff.

b) Where there is a person who is legally responsible for the medical bills of another, HAP funds are available only if both the decedent AND the responsible person qualify for HAP assistance.

c) Where there is no person who is legally responsible to pay the medical bills of a decedent, HAP funds are available to consider payment of the medical expenses, not to exceed the limitations as set forth in Paragraph I.C.2.

B. PROVIDER ELIGIBILITY:

1. New Mexico Facilities:

HAP funds can only be used to reimburse those Providers whose eligibility is defined in the Indigent Act and approved for payment by Resolution of the Board. Note that nursing homes are eligible only if they are non-profit and located in Santa Fe County.

2. Out-of-State Facilities:

HAP funds can only be used to reimburse hospitals or other care providers that are licensed by the state or governmental entity in which they operate by a state department or other governmental entity that oversees such health care licensing.

C. LIMITATIONS:

This section deals with: non-covered procedures and costs (Section #1 below), limits on payments and amount of treatment allowed (Section #2 below), and coverage of work-related medical bills (Section #3 below).

1. Procedures and Services not covered:

The HAP will not consider any medical bills for:

a) elective surgery including surgery done simply to enhance the visual attractiveness of a person, or surgery not considered a medical necessity; or

b) work-related injuries that are covered by the New Mexico Workers Compensation Act; or

c) medical costs that have been determined by the New Mexico Human Services Department to be eligible for Medicaid reimbursement; or

d) payments for private room costs. Room and board rates shall be for semi-private accommodations, intensive care and coronary care. If private room accommodations are used, the amount paid shall be adjusted to that of the provider's rate for semi-private rooms.

2. <u>Limits on HAP Payments and Amount of Services Allowed</u>:

Limits have been set on amounts of payments and amounts of treatment allowed; these vary for different Services and Providers. All payments shall be subject to and contingent upon the provisions of any HAP provider agreement and available funding received by the HAP from whatever source.

NOTE: Limits on payments and amount of services allowed do not apply to the services provided by the following Sole Community Providers: St. Vincent Hospital, Espanola Hospital, Los Alamos Medical Center and Holy Cross Hospital. Claims approved in excess of the sole community provider allocation will not be paid with HAP funds unless the additional payment is approved by the Board.

a) <u>Payment Limits for all HAP Providers Except Substance Abuse Treatment Providers</u>:

Total payment shall not exceed thirty-five thousand **($ 35,000)** dollars in cumulative claims per health care provider per Patient's lifetime, unless the Board determines that special or unusual circumstances justify payment in excess of this amount.

b) <u>Alcohol and Substance Abuse Treatment Providers</u>:

Payment for alcohol and/or drug abuse treatment is limited to ten thousand **($ 10,000)** dollars of inpatient or outpatient treatment per provider per Patient's lifetime, unless the Board determines that special or unusual circumstances justify payment in excess of this amount. Outpatient treatment may include various daily and weekly therapies.

c) <u>Limits on Amount of Mental Health Treatment Reimbursed</u>:

Payments for inpatient treatment are allowed for a maximum of twenty-one (21) days per calendar year. Payment for outpatient treatment is also allowed. One (1) day of inpatient treatment shall be deemed to be the equivalent of two (2) days of outpatient treatment. Outpatient treatment is a non-residential program that includes various daily and weekly therapies. A Patient is therefore entitled to twenty-one (21) days inpatient or forty-two (42) days outpatient treatment per calendar year, or any combination thereof.

d) <u>Limits on Nursing Home Assistance</u>:

Payments may be made to nursing homes only if they are non-profit and located in Santa Fe County.

3. Work-Related Injuries and Personal Injury Lawsuits:

Claims for medical costs arising out of work-related or personal injury cases shall not be accepted until the applicant can demonstrate that no other source of payment exists. If the applicant has or plans to file a personal injury lawsuit, the applicant must agree to subrogation pursuant to Paragraph III Section H of these regulations.

II. RIGHTS AND DUTIES OF PROVIDERS:

Section A below deals with the information that all Providers must supply to the HAP prior to filing a claim. Section B below deals with additional responsibilities of Sole Community Provider Hospitals, and Section C below deals with the County's responsibilities to Sole Community Provider Hospitals.

A. REQUIRED FILINGS:

Prior to filing any claim with the Board every Provider shall place on file the following information:

1) current data, statistics, schedules and information deemed necessary by the Board to determine the cost for all Patients in that hospital or cared for by that health care provider or tariff rates for charges of an ambulance service. (All hospitals will be reimbursed at Medicaid reimbursement rates for services on or after June 20, 2003.); and

2) proof that the Provider is licensed under the laws of this state or any state or other governmental entity in which the health care provider operates; and

3) any other information or data that may be deemed necessary by the Board.

Providers may be audited periodically by Santa Fe County staff to insure compliance.

B. ADDITIONAL DUTIES OF SOLE COMMUNITY PROVIDER HOSPITAL:

Every sole community provider hospital requesting or receiving Medicaid sole community provider payments shall accept indigent patients and request reimbursement for those Patients through the HAP.

The hospital shall also provide the following information:

1) by September 30 of each year, the hospital must confirm the amount of payment authorized by the Board for indigent patients for the previous fiscal year; and

2) by December 31 of each year, the hospital shall negotiate with the Board the amount of indigent hospital payments anticipated for the coming fiscal year; and

3) by January 15 each year, the hospital shall provide to the Department of Human Services (the "Department") the amount of authorized indigent hospital payments anticipated for the coming fiscal year after an agreement has been reached on the amount with the Board. The hospital shall also provide such other information as the Department may request.

C. DUTIES OF COUNTY TO SOLE COMMUNITY PROVIDER HOSPITAL:

For each claim submitted by a Sole Community Provider Hospital, the Board shall determine the eligibility for benefits and the amount payable for services to qualified Patients, and shall approve those requests meeting the eligibility requirements.

The Board shall notify each sole community provider hospital of its decision on each request, even though actual reimbursement may be made with federal funds under the state Medicaid program.

In addition, the Board shall:

1) By September 30 of each year, confirm the amount of the sole community provider hospital payments authorized for each hospital for the past fiscal year; and

2) by December 31 of each year, negotiate agreements with each sole community provider hospital providing services for County residents on the anticipated amount of the payments for the coming fiscal year; and

3) by January 15 of each year, provide the Human Services Department with the budgeted amount of sole community provider hospital payments, by hospital, for the coming fiscal year.

III. APPLICATION PROCESS:

Most claims for HAP assistance are filed by Patients with the assistance of Providers who provide Services. In some cases, Patients apply directly to the HAP, but in either case, reimbursement is always made to the Healthcare Service Provider.

In order to receive payment from the HAP, a Provider shall submit a claim on behalf of the Patient with the Board. A separate claim must be filed for each Patient, along with an itemized detail of the dates of service and total cost.

Claims for Services will not be considered if the claim is submitted by the Patient or a HAP Provider more than ninety (90) days from the date of service or submitted by a Sole Community Provider more than six (6) months from the date of service unless the applicant can prove to the Board just and good cause for the delay. In such cases, the HAP Coordinator shall bring the applicant's request for consideration to the Board, and the Board will decide whether to allow the Coordinator to accept the application.

The following sections deal with who may file an application (Section A below), application requirements (Section B below) guidelines (Section C below), review by the HAP staff (Section D below), special rules which apply to applications for nursing home care (Section E below), confidentiality (Section F below), requests for reconsideration (Section G below), and assignment of payment (Section H below) i.e., the requirement that money received pursuant to the disposition of a lawsuit(s) shall be used to reimburse funds expended by the HAP.

A. WHO MAY FILE AN APPLICATION:

If the Patient is an adult or emancipated minor (over the age of 16 and either married or in the Armed Service or emancipated by Court Order), the Patient must file the application.

If the Patient is a minor, a parent or guardian having legal custody must file an application.

If the Patient is deceased or incapable of making an application on his/her own behalf, an application may be filed by a relative of the Patient, the Patient's guardian or conservator, by a personal representative of a deceased person, or by a person with power of attorney for the Patient.

Applications may not be filed by an un-emancipated minor (See Definition Above), a parent or guardian who does not have legal custody, by a Patient who is incompetent or by an individual without legal authorization to act on the Patient's behalf.

B. APPLICATION REQUIREMENTS:

Note: When a Patient has other health care payment benefits, the Patient shall file an application only after the provider has received all payments or denials from these other payment sources. The Patient has ninety- (90) days to file application after such payments or denials have been received by the Provider.

1. Information Required from All Applicants:

Each application must include the following information:

a) Proof of Residency: Proof of residency at current physical address as well as proof of Santa Fe County residency 90-days before the date of service. (See guidelines below for acceptable documentation.)

b) Proof of Income: Proof of current total household income including income from non-related person sharing a spousal relationship. The gross income based on the number of individuals in a household or family cannot not exceed 80% of median average income as published annually in the Federal Register by the United States Department of Housing and Urban Development (HUD). Family members over 18 and residing with the patient are not considered dependents unless they are disable, full-time students, or elderly residents who require care. (See guidelines below for acceptable documentation.)

c) Inventory of Assets: Patients must complete the "Assets" portion of the application. If the income guidelines are met and a household has liquid assets in the amount of $20,000 or less and an individual has liquid assets in the amount of $10,000 or less the Patient will be eligible for HAP assistance.

d) Social Security Number: Patients must have a social security number in order to apply.

e) Certification Regarding other Sources of Payment: The claim must be certified that no other source of payment is available, including the possibility of a personal payment plan. The Indigent Fund Provider must supply all itemized billings, record of payments received by health care providers and/or proof of denials(s), and all records of any payments received from insurance companies, government agencies and any other parties.

f) Certification of Qualification: A notarized Verified Statement of Qualification signed by the indigent patient or by the parent or person having custody, to the effect that he/she qualifies under the Indigent Act and these Rules and Regulations and is unable to pay for the cost of care administered must be submitted with each application or application update. This statement shall constitute an oath of the person signing it, and a false statement made knowingly constitutes a felony.

g) Eligibility Period: Applications are valid for two years, except in certain cases where HAP staff feels information must be updated with each claim. At the end of the eligibility period, the Patient will be asked to fill out a complete application.

2. Additional Requirements for Child of Divorced or Separated Parents:

A person making application for HAP assistance on behalf of a minor child of divorced or separated parents must produce any Separation Agreement or Divorce Decree that pertains to the responsibility for payment of medical expenses of the child. HAP assistance will only be considered to offset the obligations of the indigent parent. If the parent's separation is not finalized by a written agreement or Court Order, then both parents are jointly liable for the child's medical bills. If the separation is finalized by a written agreement or a Court Order, the Board will review it, with all other facts in the case.

3. Additional Information:

Additional relevant information may be required by the HAP staff and may be requested by telephone and/or by a letter allowing thirty- (30) days for the applicant to respond to such a request. Failure to comply will result in the claim being administratively deleted or submitted by the staff to the Board with a recommendation of denial.

C. APPLICATION GUIDELINES:

1. Proof of Residency:

Listed below are the methods that may be used to establish residency:

1) Home/Property ownership assessed in Santa Fe County.
2) Driver's License (Excludes licenses with PO Box addresses).
3) Rental or lease agreement.
4) Notarized written statement from a non-relative landlord.
5) Utility receipts.
6) A letter verifying residence in Santa Fe County from a Santa Fe County property owner (non-relative). Property must be assessed in Santa Fe County. In cases where the applicant's residency is questionable and not definitely established, simply obtaining a letter may not suffice.
7) Voter registration.
8) Documents from income support division with current address.
9) Bank Statements with current address.
10) W-2 with physical address
11) Children's School Registration Form(s)
12) NM Human Services Department, Income Support Division, Qualification Documentation.
13) *Exception homeless population: A statement from a homeless shelter or Santa Fe County approved provider, verifying ninety (90) day residency in Santa Fe County.*

2. Proof of Income:

Current proof of income may be shown and verified from one or more of the following:

a) Current Check Stubs: Four (4) current stubs if paid weekly; two (2) stubs if paid biweekly. If check stubs are not received, a current prepared statement from employer on company letterhead indicating monthly gross and net wages will be accepted.

b) If self-employed or in questionable income cases, a copy of the latest income tax return and/or current financial statement of earnings.

c) If unemployed, a notarized letter stating the name of last employer, period of time unemployed, and information on source of support.

d) Documents relating to any trust for which the applicant may be eligible as a recipient. Staff may consider such trust, or income derived from, in determining eligibility.

Tax returns may be required from any applicant.

D. REVIEW BY THE INDIGENT FUND STAFF:

Once a complete application, with the appropriate verifications attached, is turned in to the HAP staff, staff shall review such application for conformance with all requirements under the Indigent Act and these rules and regulations.

All completed and reviewed claims will be submitted to the Board for its consideration and decision at the regularly scheduled Board meeting. The Provider and the Patient will be notified within ten (10) days of the Board's decision.

E. APPLICATION FOR REIMBURSEMENT FOR NURSING HOMES CARE:

1. Nursing Homes: Submittals

Applicants must have first applied for nursing home placement with the Human Services Department under the Medicaid Institutional Care Program and been denied assistance. Human Services Department usually denies applicants who own real estate or whose income exceeds program limits.

Upon obtaining a denial, the applicant must furnish the following:

a) Proof of County Residency.

b) A full financial disclosure with supporting documents of assets and verification of income. This shall include:

1) Deeds for all real estate owned or conveyed within the past three years.
2) Other gifts made within the last three (3) years to family or friends.
3) Bank statements for the previous one (1) year.
4) Federal and state individual and/or business income tax returns for past three (3) years.
5) Financial condition of the applicant's immediate family, if requested for good cause.

c) Verification that the patient would be accepted at a local non-profit nursing home facility.

2. Nursing Homes: Processing

After all requested information is obtained, staff will present the case at the next scheduled Board meeting for a pre-application review. All information must be submitted at least ten (10) working days prior to the meeting of the Board in order to be considered.

The applicant will be notified of the Board's decision and any of the conditions placed on the approval, including but not limited to:

a) The amount of the applicant's financial share to be applied toward the care, and

b) any other restrictions such as a time limit on assistance or conditions placed for the liquidation of assets.

The application must be updated every six (6) months, as requested by staff.

3. Nursing Homes: Exceptions and Limitations

a) The Board will only provide assistance to non-profit nursing homes in Santa Fe County.

b) Applicants must be admitted into a nursing home within thirty- (30) days of approval by the board. Failure to comply with this provision will result in revocation of Board's approval.

F. CONFIDENTIALITY:

1. The HAP and Providers shall comply with the standards of the federal Health Insurance Portability and Accountability Act of 1996 ("HIPAA").

2. Attached to each application is a copy of Santa Fe County's Notice of Privacy Practice to be given to each Patient outlining what is considered protected health information and the Patient's rights. Information that is confidential includes but is not limited to the medical diagnosis, or treatment of the Patient.

3. All records dealing with physical or mental examinations or medical treatment of patients are not public record and shall remain confidential unless otherwise provided by law.

1) REQUESTS FOR RECONSIDERATION:

If it has been determined that an Applicant is not eligible for assistance due to excessive income or liquid assets, or a claim has been denied the Applicant may file an appeal as follows:

1) The Applicant must complete an Application Appeal/Denial Reconsideration Form and have the Provider submit it to the HAP Coordinator along with the completed application to Post Office Box 276, Santa Fe, NM 87504-0276.

2) Within 30 days of receipt of the Application Appeal/Denial Reconsideration Form the HAP Coordinator will review the form and determine if additional information is necessary to proceed with the appeal.

3) The Applicant must submit any additional requested documentation within 30 days of the Coordinator's notification. Failure to comply will result in the termination of this appeal and the Patient will be ineligible for assistance.

4) Upon receipt of the documentation, the Healthcare Assistance Program Staff will re-evaluate the Applicant's information including income, debts, assets and extenuating circumstances.

5) Within 90 days of receipt of follow-up information, a recommendation will be made to the Indigent Hospital and Health Care Board at a regularly scheduled Board Meeting to:
   a. grant eligibility for two years
   b. grant eligibility for the submitted claim only or
   c. uphold the eligibility denial

6) At that time, the Board will review the documentation and staff recommendation and render a final decision.

7) The Applicant will be notified within 10 days of the Board's decision. The decision of the Board is final.

H. ASSIGNMENT OF PAYMENT:

All claims incurred as a result of an accident or injury will require the applicant to complete the Injury/Accident Explanation Application Form. Payment to a hospital from the fund of any claim shall operate as an assignment to the board of any cause of action to the extent of the payment from the fund to the hospital.

The HAP Coordinator may recommend full payment or may recommend collecting a lesser amount because of extenuating circumstances or a medical assessment showing that the Patient will continue to incur major ongoing medical expenses. The County Manager will determine the amount of repayment with staff recommendations. Once a repayment amount is determined, funds payable to Santa Fe County shall be sent to the Healthcare Assistance Program Coordinator at Post Office Box 276, Santa Fe, NM 87504-0276 within 60 days of written notification of the County Manager's decision.

IV. EFFECTIVE DATE:

These rules and regulations are effective as of September 1, 2010 as approved on August 31, 2010.

NOTE: The Board of County Commissioners, in its capacity as the County Indigent Hospital and Health Care Board, reserves the right to change these Rules & Regulations at any time.