



Administrative Office of the Courts

FOR IMMEDIATE RELEASE

Nov. 15, 2021

Contact: Barry Massey, public information officer

bmassey@nmcourts.gov

505-827-4805

505-470-3436

Supreme Court rules state can seek recovery of Medicaid payments to nursing home

SANTA FE – The state can proceed in recovering Medicaid payments from an Albuquerque nursing home for not complying with requirements for screening a patient for developmental disabilities and mental illness, the New Mexico Supreme Court ruled today.

In a unanimous opinion, the Court concluded that nursing homes must forward their screenings to the Department of Health (DOH) for further evaluation when a person seeking admission to the facility has spina bifida or certain other conditions.

Federal law requires states to implement a two-level screening program to prevent people with intellectual disabilities or mental illness from being placed in a nursing home unless that level of medical care is required.

The Supreme Court overturned a decision by the state Court of Appeals, which had determined that the Albuquerque nursing home, Princeton Place, complied with requirements under the state's Preadmission Screening and Annual Resident Review Program (PASARR).

"The Court of Appeals erred in holding that Princeton did not violate the law by determining Applicant did not have an intellectual disability and declining to initiate a Level II screening," the Court wrote in an opinion by Justice David K. Thomson.

Princeton screened a young man for admission in 2011, and determined from medical records that he had been born with spina bifida, which affects development of the brain and the spinal cord. At the time, the young man's condition had reached the point he required assistance with daily activities such as eating, dressing and bathing. Princeton decided a DOH Level II screening was unnecessary because the young man showed no indications of a developmental disability or mental illness.

DOH later concluded the nursing home should forfeit Medicaid payments it received after admitting the young man without submitting its 2011 screening for a secondary evaluation. DOH

learned of the issue at Princeton after the young man had undergone a preadmission screening by a hospital in 2013.

The Human Services Department, which oversees Medicaid, started proceedings in 2014 to recover \$158,178 from Princeton. The nursing home appealed the agency's proposed recoupment of Medicaid payments and the district court in Bernalillo County upheld the agency. The Court of Appeals reversed the district court.

The Supreme Court concluded that it is the responsibility of DOH – not a nursing home in screening patients for admission – to determine whether a person has an intellectual disability.

"Having accepted that the purpose of the Level I screening is to broadly identify suspected intellectual disabilities, it is reasonable to interpret the PASARR regulations as prohibiting final determinations of whether an intellectual disability is present at Level I because the evaluation may be conducted by a layperson with limited access to medical data," the Court wrote.

"Acceptance of Princeton's interpretation could allow for crucial medical decisions to be made before a comprehensive evaluation occurs potentially jeopardizing applicants with nuanced or difficult-to-detect intellectual disabilities and resulting in inappropriate placements."

###

To read the decision in *Princeton Place v. New Mexico Human Services Department*, No. S-1-SC-36995, please visit the New Mexico Compilation Commission's website using the following link:

<https://nmonesource.com/nmos/nmsc/en/item/515833/index.do>