



**State of New Mexico**  
**OFFICE OF THE STATE AUDITOR**

**INSTRUCTIONS FOR COMPLETING**  
**INDIGENT CARE COST AND FUNDING REPORTS AND**  
**CALCULATIONS OF COST OF PROVIDING INDIGENT CARE WORKSHEETS**

**A. General Instructions**

Hospitals required to prepare *Indigent Care Cost and Funding Reports* and *Calculations of Cost of Providing Indigent Care Worksheets* in accordance with 2.2.2.12 NMAC (Audit Rule) are required to use the Indigent Care Template provided by the OSA.

The Indigent Care Template excel workbook has two tabs, *Indigent Care Cost and Funding* and *Calculations of Cost*. Enter the appropriate information in the yellow-highlighted fields on each tab. If a particular item does not apply, input 0 (zero).

If an agency has multiple facilities to report, make a separate workbook and complete both tabs for each facility. Include both the agency name and the facility name in the file name.

On row A7 or B5 of the "Indigent Care Cost and Funding" worksheet, if you have multiple "other sources" of funding or costs to report, please create additional rows so that each row represents a unique "other source" of funding or costs.

Bad debt costs should be excluded from the costs of providing indigent care.

**B. Definitions**

Bad Debt: the amounts that patients owe to the Hospital but have not paid for a significant amount of time, regardless of whether those individuals were from low-income backgrounds.

EMSA: Emergency Medical Services for Aliens, a federal funding program.

Funding for Indigent Care: examples of revenue streams dedicated to indigent healthcare include certain state appropriations, out-of-county indigent funds, payments and copayments received from uninsured patients qualifying for indigent care, reimbursement received for services provided to patients qualifying for coverage under EMSA, and charitable contributions from donors that are designated for indigent care. Mill levy revenue that is not designated or restricted for indigent care should be excluded.

Hospital: a health facility licensed by the New Mexico Department of Health as a limited service, acute-care, or general hospital pursuant to 24-1-5.8 NMSA 1978.

Indigent Care: a program designed to provide healthcare to people who cannot afford it. Examples include UNM Care and Emergency Medical Services for Aliens (EMSA). Costs, charges and payments related to indigent care programs should be included. Costs, charges and payments for the portion of care provided by a Hospital to Medicaid patients for Medicaid covered services under the Centennial Care Program should be excluded.

**C. Resources**

Additional information and examples of *Indigent Care Cost and Funding Reports* and *Calculations of Cost of Providing Indigent Care Worksheets* and more information on audit procedures appropriate for the calculations are available in the Government Accountability Office section the OSA website in the Transparency Report titled *Transparency Report: Indigent Care and University of New Mexico Hospitals (Updated November 4, 2016)*.  
[https://www.saonm.org/transparency\\_reports\\_archive](https://www.saonm.org/transparency_reports_archive)