



"People
helping people
help
themselves"

Michael R. Pence, Governor
State of Indiana

Indiana Family and Social Services Administration

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TO: Chris Atkins, Director
Office of Management and Budget

RE: Family impact certification – cost containment initiatives

DATE: August 23, 2013

CC: Joy Heim, Yvonne Burke, Kim Crawford, Brandon Shirley

This certification, submitted in accordance with Executive Order #13-05, formalizes the Family and Social Services Administration's ("FSSA") assessment of the impact of proposed rule amendments that the FSSA intends to implement on Indiana families.

Executive Order 13-05 Certification of rules affecting families

Executive Order 13-05 ("Executive Order") requires the FSSA, prior to adopting any policy or rule, to certify that it has assessed its "real or potential impact on family well-being or family formation" in light of considerations set out in the Executive Order. In addition, the FSSA must justify any rule that is expected to have a negative impact on family well-being or formation. The Office of Management and Budget ("OMB") must respond to the FSSA statement no later than seven (7) days before the public hearing.

Summary of the proposed rule

The proposed rule amendments reduce Medicaid reimbursement rates for certain Medicaid provider types effective January 1, 2014 and add non-payment provisions for health care-acquired and provider-preventable conditions. The specific reimbursement rate reductions include:

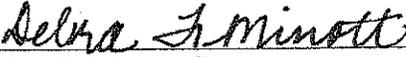
- Three percent (3%) reduction for inpatient and outpatient hospital services.
- Three percent (3%) reduction for home health services.
- One percent (1%) reduction for services to facilities for the mentally impaired.
- Three percent (3%) reduction for nursing facility services.
- Setting the pharmacy dispensing fee at \$3.90.

Impact of the proposed rule on the family well-being or family formation



The proposed rule's rate reimbursement provisions and non-payment provisions are administrative in nature and do not impact family well-being or family formation. In fact, the proposed rule amendments primarily concern the relationship between the Medicaid program and participating Medicaid providers impacted by the rate reimbursement reductions and non-payment provisions. Accordingly, it is expected that the proposed rule amendments will have a **neutral** impact on family well-being or family formation. The FSSA is submitting this certification to the OMB that it has considered the requisite criteria in Executive Order 13-05 in developing the proposed rule.

Office of the Secretary of Family and
Social Services



Debra F. Minott, Secretary