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OFFICE OF THE SECRETARY OF FAMILY AND SOCIAL SERVICES

**Notice of Significant Changes in Medicaid Methods and Standards  
for Setting Payment Rates for Services**

In accordance with the public notice requirements of 42 CFR 447.205 and Section 1902(a)(13)(A) of the Social Security Act, the Indiana Family and Social Services Administration (FSSA), the Office of Medicaid Policy and Planning (Office) publishes this notice of significant changes in the Medicaid reimbursement methodology for acute care hospitals.

Pursuant to Public Law 218-2007 (HEA 1678), for the state fiscal years beginning after June 30, 2007, the Office shall change the payment methodology of the Supplemental Payments to Privately-Owned Hospitals (Private Supplemental Payment) to reflect the increasing shift to outpatient services and community based care and to provide greater flexibility to the Office to target more funds for those vulnerable private safety-net hospitals providing greater amounts of care to Medicaid patients than other private hospitals.

The purpose of this change is to help protect the private hospital safety-net by providing for an equitable distribution of Medicaid supplemental and Medicaid disproportionate share payments among eligible private hospitals. The proposed amendments are not expected to increase or decrease aggregate payments to private hospitals, with payments made to these facilities on an annual basis. The payment adjustment is subject to the approval of the Centers for Medicare and Medicaid Services, with a proposed effective date of the day after of publication of this notice.

There will be no public hearing.

Copies of the proposed state plan amendments are available and may be inspected by contacting the Director of the local County Division of Family and Children office, except in Marion County, where public inspection may be made at 402 West Washington Street, Room W382, Indianapolis, Indiana.

Written comments concerning these amendments may be addressed to Pat Nolting, Indiana Family and Social Services Administration, Office of Medicaid Policy and Planning, Room W382, MS-07, Indianapolis, Indiana 46204-2739. Written comments received will be available for public inspection.

E. Mitchell Roob  
Secretary  
Office of the Secretary of Family and Social Services

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