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OFFICE OF THE SECRETARY OF FAMILY AND SOCIAL SERVICES

**Proposed Changes in Methods and Standards of Medicaid  
Reimbursement for Nursing Facilities**

In accordance with public notice requirements established at 42 CFR 447.205 and Section 1902(a)(13)(A) of the Social Security Act, the Indiana Family and Social Services Administration, Office of Medicaid Policy and Planning (OMPP) publishes this notice of proposed changes to methods and standards governing reimbursement policy for Medicaid-enrolled nursing facilities.

OMPP proposes to modify the Medicaid nursing facility reimbursement methodology at [405 IAC 1-14.6-25](#) to allow for an additional payment to nursing facilities if they close their nursing facility or convert their facility to alternative uses. Qualifying nursing facilities may be reimbursed \$15,000 per Medicaid recipient occupied bed. Depending on the number of qualifying facilities, this reimbursement policy change is estimated to result in additional annual aggregate expenditures not exceeding \$93.1 million dollars (state share of \$24.0 million and federal share of \$69.1 million). This proposed change in reimbursement policy is consistent with FSSA/OMPP's long-standing goal to promote policies that encourage home and community based services as an alternative to institutionally based services by providing incentives to nursing facilities to either close existing beds or convert beds for alternative long-term care services available to Indiana's elderly Medicaid population.

The proposed changes and proposed rates are available on the Internet at <http://in.mslc.com/PublicNotice>. Interested parties without Internet access should contact Myers and Stauffer, LLC at (800) 877-6927 to obtain copies of the proposed changes and proposed rates.

Anyone who wishes to comment on the proposed changes may submit written comments to: OMPP, Attention: Pat Nolting, 402 West Washington Street, Room W382, P.O. Box 7083, Indianapolis, IN 46207-7083. Correspondence should be identified in the following manner: COMMENTS RE: PROPOSED CLOSURE/CONVERSION REIMBURSEMENT CHANGES TO NURSING FACILITIES.

Anne W. Murphy  
Secretary  
Office of the Secretary of Family and Social Services

*Posted: 07/01/2009 by Legislative Services Agency*  
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