
OFFICE OF THE SECRETARY OF FAMILY AND SOCIAL SERVICES

**Notice of Changes in Methods and Standards for Medicaid
Payments for Hospitals**

In accordance with 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, Office of Medicaid Policy and Planning publishes this notice of proposed changes to the reimbursement methodology for Medicaid services provided by enrolled hospitals.

The Office of Medicaid Policy and Planning (OMPP) proposes to extend the 5% reimbursement that is currently in place for rates paid to all hospitals under the Medicaid state plan and state regulations at [405 IAC 1-8](#) (hospital outpatient services, excluding ambulatory surgical center reimbursement) and [405 IAC 1-10.5](#) (inpatient hospital services). The current expiration date of June 30, 2011, will be extended to June 30, 2013. Beginning July 1, 2013, rates shall return to the level that was in effect prior to the 5% reduction. Such Medicaid rates shall have the 5% reduction removed from the rates then in effect.

This change in reimbursement is necessary in order to avoid a budgetary shortfall and to remain within the available Medicaid appropriation. It is estimated that the fiscal impact of these changes will be a savings of state and federal expenditures of approximately \$40.8 million for SFY 2012 and \$61.3 million for SFY 2013.

These changes will be adopted in an emergency rule. A copy of this notice is now on file at the Indiana Government Center South, 402 West Washington Street, Room W451, Indianapolis, Indiana and open for public inspection. Also, a copy of this notice is now available and may be inspected by contacting 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 W374, Indianapolis, Indiana. Written comments may be directed to IFSSA, Office of Medicaid Policy and Planning, Attention Kristine Ellerbruch, 402 West Washington Street, Room W374, P.O. Box 7083, Indianapolis, IN 46207-7083. Correspondence should be identified in the following manner: "COMMENT RE: CONTINUED HOSPITAL RATE REDUCTION". Written comments received will be made available for public display at the address herein of the OMPP.

Michael A. Gargano
Secretary
Family and Social Services Administration

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