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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 established at 42 CFR 447.205, 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 hospitals.

OMPP proposes to modify the reimbursement methodology for inpatient and outpatient services rendered by in-state, acute care hospitals by increasing rates so that in the aggregate payments will be equivalent, to the extent possible and in compliance with applicable state plan provisions and federal law, to the level of reimbursement that would be paid under Medicare payment principles.

These rates will take effect for claims with dates of service on and after September 1, 2011, and will remain in effect for claims with dates of service through June 30, 2013. The new rates will be implemented retroactively following approval of an amendment of the Medicaid state plan by the Centers for Medicare and Medicaid Services.

There is no estimated increase or decrease in state and federal expenditures for reimbursement to hospitals for state fiscal year 2012 or state fiscal year 2013 due to the change in methodology. The proposed methodology will increase reimbursement for hospital services at the claim level, in place of the existing lump-sum supplemental payments that hospitals currently receive.

OMPP is making this change to comply with Public Law 229-2011, SECTION 281 which authorizes this rate increase.

Copies of this notice are now available and may be inspected by contacting the local county Division of Family Resources office, except in Marion County, where public inspection may be made at 402 West Washington Street, Room W382, Indianapolis, Indiana.

Copies of the proposed rates are available on the internet at:  
<http://in.mslc.com>

There will be no public hearing. Anyone who wishes to comment on the proposed changes may submit written comments to: IFSSA, Office of Medicaid Policy and Planning, Attention: Kristine Ellerbruch, 402 W. Washington St., Room W382, P.O. Box 7083, Indianapolis, IN 46207-7083. Correspondence should be identified in the following manner: "COMMENT RE: CHANGES TO HOSPITAL REIMBURSEMENT". All written comments concerning this change received by OMPP will be available for public inspection at the Office of Medicaid Policy and Planning, 402 West Washington Street, Room W382, Indianapolis, Indiana.

Michael A. Gargano  
Secretary  
Family and Social Services Administration

*Posted: 08/03/2011 by Legislative Services Agency*  
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