
OFFICE OF THE SECRETARY OF FAMILY AND SOCIAL SERVICES

**Notice of Changes in Methods and Standards for Medicaid
Payments for Setting Payments for Licensed Nursing Facilities**

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, Office of Medicaid Policy and Planning (OMPP) publishes this notice of proposed changes to the reimbursement methodology governing reimbursement policy for licensed nursing facilities.

The OMPP proposes to modify the rate setting formula for nursing facilities (codified at [405 IAC 1-14.6](#)) by increasing rate components, clarifying the 5% rate reduction, currently in effect through the emergency rule published at DIN: [20110629-IR-405110380ERA](#), clarifying cost reporting and cost classification policies, removing expired sections, and making conforming changes to provider reimbursement dispute resolution procedures.

The OMPP is making these changes to comply with Public Law 229-2011, SECTIONS 126 and 162, which authorizes these changes, as well as making additional changes, in order to continue addressing quality issues of Indiana's nursing facilities.

These changes will result in increased Medicaid reimbursement to nursing facilities of approximately \$28.8 million state and \$57.2 million federal for a total of approximately \$86 million dollars in state fiscal year (SFY) 2012.

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 W374, P.O. Box 7083, Indianapolis, Indiana.

Copies of the public notice are available on the internet at:

<http://in.mslc.com>

There will be a public hearing, and announcement of that public hearing published in the notice of public hearing, for the promulgation of the administrative rule addressing these changes. Anyone who wishes to comment on the proposed changes may submit written comments to: IFSSA, Office of Medicaid Policy and Planning Attention: Joy A. Heim, 402 W. Washington St., Room W374, P.O. Box 7083, Indianapolis, IN 46207-7083. Correspondence should be identified in the following manner: "COMMENT RE: NOTICE REGARDING CHANGES TO RATE SETTING CRITERIA FOR NURSING FACILITIES". All written comments concerning this change received by OMPP will be available for public inspection at the OMPP, 402 West Washington Street, Room W374, Indianapolis, Indiana.

Michael A. Gargano
Secretary
Family and Social Services Administration

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