
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 (FSSA), Office of Medicaid Policy and Planning (OMPP) publishes this notice of proposed changes to the reimbursement methodology for Medicaid services provided by enrolled hospitals.

OMPP proposes to modify reimbursement under the Medicaid state plan and state regulations at [405 IAC 1-10.5-5](#) to expand to all hospitals the current policy preventing inpatient hospital discharges containing specified health care-acquired conditions not present on admission from assignment to a higher paying DRG, and to set forth the following other provider-preventable conditions for nonpayment: wrong surgical or other invasive procedure performed on a patient; surgical or other invasive procedure performed on the wrong body part; surgical or other invasive procedure performed on the wrong patient. These changes are expected to result in an estimated total annual state savings of approximately \$27,000 (the federal share is approximately \$18,000). These changes shall be effective July 1, 2012.

This change in reimbursement is necessary to expand to all hospitals a policy to ensure that members receive safe, high quality, and efficient care from Indiana hospitals, that higher inpatient hospital reimbursement is not made for health care-acquired conditions that could reasonably have been prevented through the application of evidenced-based guidelines, and that payment is not made for other provider-preventable conditions. On June 6, 2011, CMS published a final rule in the Federal Register at 76 FR 32816 requiring that states implement a health care-acquired conditions policy that applies to all hospitals and a policy for other provider-preventable conditions no later than July 1, 2012.

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 Resources office, except in Marion County, where public inspection may be made at 402 West Washington Street, Room W374, Indianapolis, Indiana.

Anyone who wishes to comment on the proposed changes may submit written comments to: FSSA, Office of Medicaid Policy and Planning, Attention: Penny Lewis, 402 West Washington Street, Room W374, MS-07, Indianapolis, Indiana 46204. Correspondence should be identified in the following manner: COMMENT RE: HEALTH CARE-ACQUIRED CONDITIONS AND OTHER PROVIDER-PREVENTABLE CONDITIONS. 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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