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OFFICE OF THE SECRETARY OF FAMILY AND SOCIAL SERVICES

**Notice of Changes in Methods and Standards for Medicaid Payments for Inpatient Hospital Services**

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 payments for inpatient hospital services.

The OMPP proposes to continue the five percent (5%) reduction that is currently set to expire on June 30, 2013, for rates paid for inpatient hospital services, under the Medicaid state plan and state regulations at [405 IAC 1-10.5](#), as amended by LSA Document #11-381(E), posted at [20110629-IR-405110381ERA](#).

The OMPP also proposes to modify reimbursement formulas for reimbursement to out-of-state hospitals. Hospital-specific cost-to-charge ratios will be computed for out-of-state hospitals that submit cost reports to the office, and medical education rates for out-of-state hospitals may not exceed the highest medical education rate for in-state hospitals. These changes are being made to more equitably reimburse out-of-state hospitals.

It is estimated that the fiscal impact of these changes will be annual savings of state and federal expenditures of approximately \$26.7 million for SFY 2014 and \$28.4 million for SFY 2015.

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.

When the proposed changes become available, they will be posted on the Internet at:

<http://in.mslc.com>

Interested parties without Internet access should contact Myers and Stauffer, LC at (800) 877-6927 to obtain copies of the proposed changes.

There will be no public hearing. Anyone who wishes to comment on the proposed changes may submit written comments to: FSSA, Office of Medicaid Policy and Planning, Attention: Yvonne Burke, 402 West Washington Street, Room W374, MS-07, Indianapolis, IN 46204. Correspondence should be identified in the following manner: COMMENT RE: INPATIENT HOSPITAL REIMBURSEMENT CHANGES. Written comments received will be made available for public display at the address herein of the OMPP.

Debra F. Minott  
Secretary  
Family and Social Services Administration

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