
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 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 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 and private psychiatric 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 July 1, 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.

OMPP also proposes to expand Medicaid disproportionate share hospital (DSH) eligibility to additional hospitals and modify the payment methodologies for DSH payments to qualifying hospitals. These changes will take effect for state fiscal years beginning on or after July 1, 2012. These changes will be implemented following approval of an amendment of the Medicaid state plan by the Centers for Medicare and Medicaid Services.

OMPP is making this change to comply with House Enrolled Act (HEA) 1001 (2013), which authorizes these changes.

It is estimated that the fiscal impact of this change will be additional annual state and federal expenditures of approximately \$78 million (federal share of \$52 million and state share of \$26 million). The estimated fiscal impact pertains solely to the anticipated increased Medicaid payments for Medicare crossover claims for dual eligible recipients. There is otherwise no estimated increase or decrease in state and federal expenditures for reimbursement to hospitals due to these changes. The proposed changes will increase reimbursement for hospital services at the claim level, in place of lump-sum supplemental payments.

A copy of this notice is now on file at the Indiana Government Center South, 402 West Washington Street, Room W451 and is 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 W. Washington Street, Room W374, 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: FSSA, Office of Medicaid Policy and Planning, Attention: Yvonne Burke, 402 West Washington Street, 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.

Debra F. Minott
Secretary
Family and Social Services Administration

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