
OFFICE OF THE SECRETARY OF FAMILY AND SOCIAL SERVICES

Notice of Changes in Methods and Standards for Medicaid Payments for Medical Equipment (ME), Hearing Aids, and Medical Supplies

In accordance with public notice requirements of 42 CFR 447.205, 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 medical equipment (ME), hearing aids, and medical supplies.

The OMPP proposes to continue the five percent (5%) reduction that is currently set to expire on June 30, 2013, for rates paid for medical equipment (ME), hearing aids, and medical supplies, under the Medicaid state plan and state regulations at [405 IAC 5-19](#), as amended by LSA Document #11-383(E), posted at [20110629-IR-405110383ERA](#). This five percent (5%) reduction will remain in effect through December 31, 2013. The reduction in reimbursement is necessary in order to remain within the available Medicaid appropriation.

The OMPP also proposes to modify the Medicaid rate setting methodology for ME and medical supplies by establishing the invoice cost of the item as the basis for calculating Medicaid rates of reimbursement if the Medicare fee schedule amount, average acquisition cost, and manufacturer's suggested retail price are not available.

It is estimated that the fiscal impact of these changes will be annual savings of state and federal expenditures of approximately \$1.2 million for FFY 2014 (federal share of \$0.8 million and state share of \$0.4 million).

A copy of this notice is now on file at the Indiana Government Center South, 402 West Washington Street, Room W451, Indianapolis, Indiana and is open for public inspection. Also, a copy of this notice is now available and may be inspected by contacting the local county office of the division of family resources, except in Marion County, where public inspection may be made at the Indiana Government Center South, 402 West Washington Street, Room W374, Indianapolis, Indiana.

There will be no public hearing. Written comments may be directed to FSSA, Office of Medicaid Policy and Planning, Attention: David Garner, 402 West Washington Street, Room W374, MS07, Indianapolis, IN 46207-7083. Correspondence should be identified in the following manner: COMMENT RE: MEDICAL EQUIPMENT, HEARING AID, AND MEDICAL SUPPLIES REIMBURSEMENT CHANGES. Written comments will be made available for public inspection at the address herein of the OMPP.

Debra F. Minott
Secretary
Family and Social Services Administration

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