
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 established at 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 methods and standards governing reimbursement policy for Medicaid-enrolled hospitals.

The OMPP proposes to modify the reimbursement methodology for inpatient hospital services by adopting the All-Patient Refined (APR) Diagnosis-Related Group (DRG) grouper, version 30, and implementing updated inpatient hospital DRG relative weights and payment rates. These changes shall be effective October 1, 2015.

OMPP is making these changes in accordance with the requirements of the Centers for Medicare and Medicaid Services (CMS) that all HIPAA-covered entities transition to the International Classification of Diseases 10th Revision (ICD-10) diagnosis and procedure codes on October 1, 2015. In order to comply with these requirements, it is necessary to implement a DRG grouper that will accommodate ICD-10 diagnosis and procedure coding. It is estimated that the fiscal impact of these changes will be additional annual state and federal expenditures of approximately \$0.8 million for FFY 2016 (federal share of \$0.5 million and state share of \$0.3 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: Jennifer Rankin, 402 West Washington Street, Room W382, P.O. Box 7083, Indianapolis, IN 46207-7083. Correspondence should be identified in the following manner: COMMENT RE: INPATIENT HOSPITAL REIMBURSEMENT CHANGES. All written comments concerning this change received by OMPP will be available for public inspection at the OMPP, 402 West Washington Street, Room W382, Indianapolis, Indiana.

John J. Wernert, M.D.
Secretary
Family and Social Services Administration

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