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**OFFICE OF THE SECRETARY OF FAMILY AND SOCIAL SERVICES**

**Notice of Changes in Methods and Standards for Medicaid Payments for  
Enrolled Nursing Facilities and Large Private Intermediate Care Facilities for  
Individuals with Intellectual Disabilities and Community Residential  
Facilities for the Developmentally Disabled**

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 reimbursement methodology.

OMPP proposes to transition nursing facilities (NFs) from the RUG III to the RUG IV resident classification model. OMPP is also proposing to remove the .09% rate reduction for large private intermediate care facilities for individuals with intellectual disabilities (ICFs/IID) and community residential facilities for the developmentally disabled (CRFs/DD).

Additionally, OMPP is making updates and clarifications to the reimbursement regulations for both NFs as well as ICFs/IID and CRFs/DD, which have no fiscal impact.

It is estimated that the federal fiscal impact of transition NFs to RUG IV, in thousands of dollars, is as follows:

	<u>FFY 2016</u>	<u>FFY 2017</u>
Increased Medicaid Payment	\$188.4	\$753.4
Federal Share	\$125.7	\$502.8
State Share	\$62.6	\$250.6

It is estimated that the federal fiscal impact of the removal of the .09% rate reduction for ICFs/IID and CRFs/DD, in thousands of dollars, is as follows:

	<u>FFY 2016</u>	<u>FFY 2017</u>
Increased Medicaid Payment	\$63.7	\$254.7
Federal Share	\$42.5	\$170.0
State Share	\$21.2	\$84.7

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. A copy of this notice is also 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 sent via e-mail to: [chris.fletcher@fssa.in.gov](mailto:chris.fletcher@fssa.in.gov) or by mail to:

Indiana Family and Social Services Administration  
Office of Medicaid Policy and Planning  
Attention: Chris Fletcher  
COMMENT RE: NF RUG IV AND OTHER CHANGES  
402 West Washington Street, Room W374, MS07  
Indianapolis, IN 46207-7083

Written comments will be made available for public inspection at the address herein. Additionally, a paper copy of these proposed changes will be made available upon request by contacting the address herein.

John J. Wernert, MD  
Secretary  
Family and Social Services Administration

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