
OFFICE OF THE SECRETARY OF FAMILY AND SOCIAL SERVICES

**Notice of Changes in Methods and Standards for Medicaid Payments for Services
Provided by Freestanding Birthing Center Providers**

In accordance with public notice requirements established at 42 CFR 447.205, 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 services provided by enrolled freestanding birthing centers.

OMPP proposes to modify the reimbursement methodology for freestanding birthing centers by changing the basis of the facility delivery rate from the Medicaid inpatient diagnosis-related group (DRG) system in effect on June 30, 2011, to the DRG system in effect on the date of service. The basis of the facility labor management rate is also being changed to equal the Medicaid ambulatory surgery center (ASC) rate that is closest to but not exceeding 1/3 of the facility delivery rate. These changes are subject to the approval of the Centers for Medicare and Medicaid Services. If approved, the changes will be effective January 1, 2017.

OMPP is making these changes because of the adoption of the all-patient refined diagnosis related group (APR-DRG) system that was implemented on October 1, 2015. These changes are necessary to ensure that the birthing center facility delivery rate continues to be based on current DRG reimbursement for an uncomplicated delivery, to ensure the birthing center labor management rate is based on an appropriate Medicaid rate, and to ensure reimbursement rates are sufficient to provide access to birthing center services. It is estimated that the fiscal impact of these changes will be a decrease in state and federal expenditures of approximately \$15,000 for FFY 2016 (federal share of \$10,000 and state share of \$5,000) and \$58,000 for FFY 2017 (federal share of \$39,000 and state share of \$19,000).

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 West Washington Street, Room W374, Indianapolis, Indiana.

There will be no public hearing. Anyone who wishes to comment on the proposed changes may submit written comments via email to jennifer.white@fssa.in.gov or via mail to:

Family and Social Services Administration
Office of Medicaid Policy and Planning
Attention: Jennifer White
RE: CHANGES TO BIRTHING CENTER REIMBURSEMENT
402 West Washington Street, Room W382
Indianapolis, IN 46207-7083

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.

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

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