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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 revising the Medicaid state plan to remove the hospital adjustment factors from the state plan. The hospital adjustment factors will be published on the state's website in a similar fashion as other Medicaid hospital reimbursement rates. Inpatient and outpatient hospital reimbursement will continue to be made at a level that results in aggregate payments that are 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. This change shall be effective November 1, 2016.

OMPP is making this change in order to achieve flexibility in adjusting Medicaid reimbursement rates in order maintain payments that are equivalent, to the extent possible, as the level of reimbursement under Medicare payment principles. Changes in the hospital adjustment factors will be published on the state's website with appropriate notice given to providers in advance of any changes. There is no fiscal impact associated with this change.

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 to:

jennifer.white@fssa.in.gov

or via mail at:

Family and Social Services Administration  
Office of Medicaid Policy and Planning  
Attention: Jennifer White  
402 West Washington Street, Room W382  
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.

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

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