
TITLE 405 OFFICE OF THE SECRETARY OF FAMILY AND SOCIAL SERVICES

Notice of Public Hearing

LSA Document #16-327

Notice of Public Hearing

Under [IC 4-22-2-24](#), notice is hereby given that on June 15, 2017, at 9:00 a.m., at the Indiana Government Center South, 402 West Washington Street, Conference Center Room 5, Indianapolis, Indiana, the Office of the Secretary of Family and Social Services – Office of Medicaid Policy and Planning will hold a public hearing on a proposed rule amending the following sections:

Amends [405 IAC 1-12-1](#) to clarify policy language regarding payment for services rendered by intermediate care facilities for individuals with intellectual disabilities (ICFs/IID) and community residential facilities for the developmentally disabled (CRFs/DD). Amends [405 IAC 1-12-2](#) to add a definition for the department head position. Amends [405 IAC 1-12-3](#) to clarify provider responsibility to substantiate that their costs are related to patient care. Amends [405 IAC 1-12-4](#) to clarify the penalty for untimely cost report filings. Amends [405 IAC 1-12-5](#) to add a penalty for untimely filing of the Checklist of Management Representations. Amends [405 IAC 1-12-7](#) to clarify the criteria for excluding a provider from the average allowable cost of the median patient day computations. Amends [405 IAC 1-12-20](#) to update language. Amends [405 IAC 1-12-21](#) to revise the reimbursement rate for comprehensive rehabilitative management needs facilities (CRMNF) pursuant with state law. Amends [405 IAC 1-14.6-1](#) to clarify policy language regarding payment for services rendered to members by nursing facilities. Amends [405 IAC 1-14.6-2](#) to update definitions to reflect the change from the resource utilization group, version III (RUG-III), to RUG-IV, update the minimum data set resident assessment (MDS), version 2.0 to MDS version 3.0, and to clarify and add several definitions. Amends [405 IAC 1-14.6-3](#) to clarify the information required on the Medicaid cost report form, to require financial records or supporting documentation to be made available to the office, add penalty for failure to submit requested information, and to clarify compliance review scheduling procedures, and clarify provider responsibility to substantiate that their costs are related to patient care. Amends [405 IAC 1-14.6-4](#) to clarify the information required by providers with their annual cost report submission, and to make other changes as a result of the change to RUG-IV. Amends [405 IAC 1-14.6-6](#) to update and clarify language regarding rate reviews. Amends [405 IAC 1-14.6-7](#) to add the case mix index (CMI) table for RUG-IV and to make other changes as a result of the change to RUG-IV. Amends [405 IAC 1-14.6-9](#) to clarify the calendar quarters utilized in determining a facility's CMI. Amends [405 IAC 1-14.6-10](#) to clarify certain costs as not allowable. Amends [405 IAC 1-14.6-11](#) to clarify the reporting of costs incurred by parties defined by the rule to be related to the Medicaid certified nursing facilities. Amends [405 IAC 1-14.6-12](#) to clarify what costs are included in the fair rental value allowance. Amends [405 IAC 1-14.6-21](#) to clarify that changes to the allocation of reported costs due to prior period audit findings are authorized by OMPP. Amends [405 IAC 1-14.6-22](#) to update and clarify language regarding MDS review processes. Amends [405 IAC 1-14.6-24](#) to clarify how the quality assessment fee (QAF) is determined. Amends [405 IAC 1-15-1](#) to clarify and update MDS electronic transmission requirements for nursing facilities. Amends [405 IAC 1-15-2](#) to modify the Medicaid rule for the electronic transmission of the MDS to reflect the change from RUG-III to RUG-IV, and MDS 2.0 to MDS 3.0. Amends [405 IAC 1-15-4](#) to clarify scope of review by OMPP of nursing facility MDS resident assessment data, and to reflect the change from RUG-III to RUG-IV. Amends [405 IAC 1-15-5](#) to clarify scope of review of MDS resident assessments. Repeals [405 IAC 1-14.5](#), [405 IAC 1-15-3](#), and [405 IAC 1-15-6](#) as obsolete.

Pursuant to [IC 4-22-2-24\(d\)\(3\)](#), the Indiana Family and Social Services Administration (FSSA) – Office of Medicaid Policy and Planning (OMPP) proposes to amend [405 IAC 1-12](#), [405 IAC 1-14.6](#), and [405 IAC 1-15](#) to update and clarify policy and reimbursement language and to reflect the change to MDS 3.0 and RUG-IV. FSSA-OMPP also proposes to repeal [405 IAC 1-14.5](#), [405 IAC 1-15-3](#), and [405 IAC 1-15-6](#) to eliminate out of date or obsolete rules. These changes are necessary to provide clarity to the provider community, to comply with requirements of the Centers for Medicare and Medicaid Services, and to ensure that Medicaid reimbursement is properly allocated according to resident resource needs.

All parties interested in the proposed rule are invited to attend the public hearing and to offer public comments. In lieu of attendance at the public hearing, written comments may be sent to: FSSA, Attention: Derris Harrison c/o Leslie Huckleberry, 402 W. Washington St., Room W451, Indianapolis, IN 46204. Correspondence should be identified in the following manner: "COMMENT RE: LSA Document #16-327, Resource Utilization Group (RUG) IV Rule". All written comments concerning the rule received by the FSSA - OMPP will be available for public inspection at FSSA's Office of General Counsel, Indiana Government Center South, 402 West Washington Street, Room W451, Indianapolis, Indiana.

Copies of the proposed rule and this notice are now available on the FSSA website at:

<http://www.in.gov/fssa/4543.htm>

The proposed rule is available to be inspected and copied at the Office of the Secretary of Family and Social Services, Indiana Government Center South, 402 West Washington Street, Room W451, Indianapolis, Indiana.

Jennifer Walthall, M.D., MPH
Secretary
Indiana Family and Social Services Administration

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