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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 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 changes to the reimbursement methodology for Medicaid payments for inpatient hospital services.

The OMPP proposes to continue the three percent (3%) reduction that is currently set to expire on June 30, 2017, for inpatient hospital services under the Medicaid state plan and state regulations at [405 IAC 1-10.5](#). The three percent (3%) reduction will remain in effect until June 30, 2019.

The change in reimbursement is necessary in order to remain within the available Medicaid appropriation. It is estimated that the fiscal impact of continuing the three percent (3%) rate reduction will be annual savings of state and federal expenditures of approximately \$1.1 million for FFY 2017 (federal share of \$0.8 million and state share of \$0.4 million) and \$4.4 million for FFY 2018 (federal share of \$2.9 million and state share of \$1.5 million), as compared to state and federal expenditures without the three percent (3%) reduction.

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 White, 402 West Washington Street, Room W374, MS07, Indianapolis, IN 46207-7083. Correspondence should be identified in the following manner: COMMENT RE: NOTICE REGARDING CHANGES TO REIMBURSEMENT METHODOLOGY FOR INPATIENT HOSPITAL SERVICES. Written comments will be made available for public inspection at the address herein of the OMPP.

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

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