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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 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. This public notice period will run 11/27/2019 -12/27/2019.

OMPP proposes to revise the inpatient hospital reimbursement methodology to implement a payment adjustment for direct medical education and indirect medical education costs of teaching hospitals related to Medicaid managed care services. This change shall be effective May 1, 2020.

OMPP is making the change to increase medical education reimbursement for certain teaching hospitals. A qualifying hospital is a teaching hospital that participates in the Medicaid program and is affiliated with Indiana University Health, Inc. or The Health and Hospital Corporation of Marion County. The office estimates an increase in federal expenditures of \$40.38 million in Federal Fiscal Year (FFY) 2020, and an increase in federal expenditures of \$80.75 million in FFY 2021, and no impact on state expenditures, due to the methodology.

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. Written comments may be directed to FSSA, Office of Medicaid Policy and Planning, Attention: Scott Runner, 402 West Washington Street, Room W382, P.O. Box 7083, Indianapolis, IN 46207-7083 or by email to [spacomments@fssa.in.gov](mailto:spacomments@fssa.in.gov). Correspondence should be identified in the following manner: COMMENT RE: HOSPITAL MEDICAL EDUCATION REIMBURSEMENT. Written comments will be made available for public inspection at the address herein of the OMPP.

Jennifer Sullivan, MD, MPH  
Secretary  
Family and Social Services Administration

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