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**OFFICE OF THE SECRETARY OF FAMILY AND SOCIAL SERVICES**

**Notice of Change in Nursing Facility Reimbursement Methodology**

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 (FSSA), Office of Medicaid Policy and Planning (OMPP) publishes this notice of proposed changes to the reimbursement methodology for nursing facilities. This public notice will run from 5/31/2023 to 6/30/2023.

The OMPP proposes to transition:

- (1) The reimbursement of special care unit and ventilator dependent residents from a facility-wide add-on included in the Medicaid per diem to a Medicaid resident specific add-on for qualifying nursing facilities, effective July 1, 2023.
- (2) The reimbursement of nonemergency medical transportation (NEMT) costs to a nursing facility Medicaid per diem add-on for all covered Medicaid NEMT services effective July 1, 2023.
- (3) The calculation of the direct care, indirect care, and administrative components from a median to a percentile effective July 1, 2024, with a transition period through June 30, 2027.
- (4) The reimbursement for quality from the Medicaid per diem to the supplemental payment program effective July 1, 2024, with a transition period through June 30, 2027.
- (5) The supplemental payment program from a facility specific payment to a pooled methodology effective July 1, 2024, with a transition period through June 30, 2027.

It is estimated that the fiscal impact of this increase will increase federal and state expenditures approximately \$2.6 million for federal fiscal year 2023 (federal share \$1.8 million and state share \$0.8 million), \$8.2 million for federal fiscal year 2024 (federal share \$5.5 million and state share \$2.7 million), and \$1.6 million for federal fiscal year 2025 (federal share \$1.0 million and state share \$0.6 million).

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 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: Madison May-Gruthusen, 402 West Washington Street, Room W382, P.O. Box 7083, Indianapolis, IN 46207-7083 or by email to [spacomment@fssa.in.gov](mailto:spacomment@fssa.in.gov). Correspondence should be identified in the following manner: COMMENT RE: MODIFY NURSING FACILITY FEE-FOR-SERVICE REIMBURSEMENT. Written comments will be made available for public inspection at the address herein of the OMPP.

Daniel Rusyniak, MD  
Secretary  
Family and Social Services Administration

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