



*"People
helping people
help
themselves"*

Mitchell E. Daniels, Jr., Governor
State of Indiana

Office of Medicaid Policy and Planning
MS 07, 402 W. WASHINGTON STREET, ROOM W382
INDIANAPOLIS, IN 46204-2739

August 20, 2007

Legislative Council
Legislative Services Agency
200 W. Washington St. Suite 301
Indianapolis, IN 46202

Dear Members of the Legislative Council,

The purpose of my letter is to briefly explain the requirements of HEA 1873 passed in the 2001 General Assembly session to submit to the Centers for Medicare and Medicaid Services (CMS) a demonstration waiver, the Office of Medicaid Policy and Planning's (OMPP) responsibilities under this legislation, and to provide formal notification of CMS's decision within the required time-frame.

HEA 1873 required the Office of Medicaid Policy and Planning to submit to CMS a demonstration waiver application to pursue an additional room and board payment to inpatient hospice units meeting the requirements of 42 CFR 418.100 et. seq. for serving Medicaid-eligible patients receiving hospice care at the routine home care rate. The OMPP complied with this requirement as noted in CMS's letter. CMS has opted not to further entertain this application since demonstration waivers are meant to pay for costs not otherwise matchable under State Plan. Furthermore, CMS has determined that the concept would not result in a significant policy improvement in achieving the purposes of the Title XIX of the Act. A copy of the CMS letter has been attached for your ease of reference.

If you have any further questions or concerns, please do not hesitate to contact Ms. Jessaca Turner Stults, Legislative Liaison within Family Social Services Administration at (317)234-2884.

Sincerely,

Jeffrey M. Wells
Director of Medicaid

Attachment

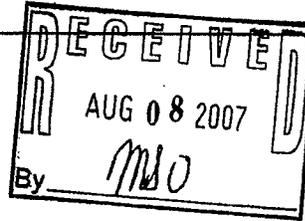


DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-14-26
Baltimore, Maryland 21244-1850



Center for Medicaid and State Operations
Disabled and Elderly Health Programs Group
Division of Coverage and Integration

August 2, 1007



Jeffrey M. Wells
Director of Medicaid
Office of Medicaid Policy and Planning
Indiana Family & Social Services Administration
MS 07, 402 W. Washington Street, Room W382
Indianapolis, IN 46204-2739

Dear Mr. Wells:

Thank you for your concept paper dated April 27, 2007 entitled, "Demonstration for Room and Board for Hospice Inpatient Units". The Disabled and Elderly Health Programs Group previously reviewed the State's similar proposal that was submitted in 2002. You will recall that the Centers for Medicare & Medicaid Services discontinued review of the 2002 proposal on October 6, 2005 based on the State's letter of September 14, 2005, indicating it had decided that program enrollees should be required to meet a nursing facility level of care rather than a higher acuity level as outlined. The concept paper that the State submitted in April 2007 contained this revision and also added a proposed quality management strategy and evaluation component.

In its concept paper, Indiana proposes to offer Medicaid eligible hospice recipients the additional option of receiving the "routine home care" level of hospice at a State-licensed hospice inpatient unit. To do so, the State seeks approval under section 1115(a)(2) authority to permit Medicaid payment for room and board to the hospice inpatient unit providers so that the complete array of hospice services can be offered, just as they are in nursing facilities. As you are aware, Medicaid will not generally pay for the cost of room and board except in hospitals, nursing facilities, or intermediate care facilities for the mentally retarded as recognized in section 1905(a) of the Social Security Act (the Act). While the demonstration authority of section 1115(a)(2) may be invoked to pay for costs not otherwise matchable under the State plan, we reviewed the concept in the light of important Medicaid goals. We have determined that the concept would not result in a significant policy improvement in achieving the purposes of Title XIX of the Act. Accordingly, we have decided that this concept is not one which we would entertain further.

Thank you for submitting this concept paper.

Sincerely,

Carrie Smith for

Linda Peltz
Director, Division of Coverage and Integration

cc:

Michelle Stein-Ordóñez, Indiana Family and Social Services Administration
Marguerite Schervish, CMS Project Officer
Leslie Campbell, CMS Chicago Regional Office