



INDIANA HEALTH COVERAGE PROGRAMS

PROVIDER REFERENCE MODULE

Out-of-State Providers

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8.0	Policies and procedures as of Dec. 1, 2025 Published: May 29, 2026	Scheduled update: • Edited text as needed for clarity • Added PathWays to initial note • Updated the note in the <i>Out-of-State Suppliers of Medical Equipment</i> section • Updated the <i>Reimbursement Rates for Out-of-State Providers</i> section and subsections	FSSA and Gainwell

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Out-of-State Providers

*Note: The information in this module applies to Indiana Health Coverage Programs (IHCP) services provided under the **fee-for-service (FFS)** delivery system.*

*For information about services provided through the **managed care** delivery system – including Healthy Indiana Plan (HIP), Hoosier Care Connect, Hoosier Healthwise or Indiana PathWays for Aging (PathWays) member services – providers must contact the member’s managed care entity (MCE) or refer to the MCE provider manual. MCE contact information is included in the [IHCP Quick Reference Guide](#) available at in.gov/medicaid/providers.*

For updates to information in this module, see [IHCP Bulletins](#) at in.gov/medicaid/providers.

Introduction

Out-of-state healthcare providers may enroll as Medicaid providers in the Indiana Health Coverage Programs (IHCP). Out-of-state provider rules are found in *Indiana Administrative Code 405 IAC 5-5*.

The [IHCP Provider Enrollment Type and Specialty Matrix](#) at in.gov/medicaid/providers lists document requirements for out-of-state providers and indicates which provider types and specialties are ineligible for out-of-state enrollment. Providers located outside Indiana are also eligible for enrollment under the ordering, prescribing or referring (OPR) provider type. For more information on enrolling as an IHCP provider, see the [Provider Enrollment](#) module.

Out-of-state healthcare providers must enroll in the IHCP to receive reimbursement for services provided to IHCP members.

Note: If IHCP members require healthcare services when they are outside the state of Indiana, they should inquire (if possible, before receiving services) whether the organization is enrolled as an IHCP provider.

Under specifically defined circumstances, when an out-of-state provider that is not enrolled in the IHCP delivers services to an IHCP member in need of care while traveling, a retroactive provider enrollment date of up to six months may be considered for approval by the Indiana Family and Social Services Administration (FSSA).

Prior Authorization for Out-of-State Services

In general, **all** out-of-state services rendered to IHCP members require prior authorization (PA). However, under the following circumstances, the out-of-state PA requirement is waived and the service is instead subject only to any PA requirements that would apply if the provider were in-state:

- Emergency services
 - Note that although PA is not required for emergency services, for continuation of inpatient treatment and hospitalization, providers must request PA within 48 hours of admission.
- Pharmacy services
- Telehealth services if providers have the subtype “Telemedicine” attached to their enrollment
 - See the [Telehealth and Virtual Services](#) module for more information.

- Services rendered by an out-of-state provider that has been enrolled with an “in-state” status due to meeting any of the following criteria:
 - Service location is in a designated out-of-state county, as described in the [Out-of-State Areas Designated as “In State”](#) section.
 - Provider meets at least one special circumstance described in the [Special Circumstances That Allow In-State Status for Out-of-State Providers](#) section.
 - Provider is a durable medical equipment (DME) or home medical equipment (HME)/medical supply dealer (provider type 25) with a business office in Indiana and meeting all other criteria described in the [Out-of-State Suppliers of Medical Equipment](#) section.

Note: Special consideration is also given to members of the Adoption Assistance Program who are placed outside Indiana. Although the out-of-state PA requirement is not waived in this situation, the IHCP will approve all PA requests for routine medical and dental care provided out of state for these individuals.

As noted in 405 IAC 5-5-2(c), PA can be granted for any period from one day to one year for covered out-of-state medical services, if the service meets criteria for medical necessity **and** any one of the following criteria is also met:

- The service is not available in Indiana. (*Note: Care provided by out-of-state Veterans Administration is an exception to this requirement.*)
- The member has previously received services from the provider.
- Transportation to an appropriate Indiana facility would cause undue expense or hardship to the member or the IHCP.
- The out-of-state provider is a regional treatment center or distributor.
- The out-of-state provider is significantly less expensive than the Indiana providers – for example, a large laboratory versus an individual pathologist.

See the [Service Restrictions](#) section for specific services not eligible for PA when provided out of state and not covered when performed by out-of-state providers.

The out-of-state PA rules are found in 405 IAC 5-5-2 and 405 IAC 5-5-3. For general information about requesting PA, see the [Prior Authorization](#) module.

Out-of-State Providers With In-State Status

Certain circumstances allow a provider located outside Indiana to qualify for IHCP enrollment with an “in-state status.” Receiving this in-state status exempts the provider from the additional PA requirements that normally apply to out-of-state providers, and instead allows them to follow the regular PA guidelines as if they were located in Indiana.

These providers continue to be required to meet out-of-state documentation requirements for enrollment in the IHCP.

Note: The designated areas and other circumstances that allow an out-of-state provider to enroll in the IHCP with an in-state status apply only to provider types and specialties that are eligible for enrollment if located outside Indiana. This option is not available to provider types and specialties that are excluded from out-of-state enrollment, as indicated on the [IHCP Provider Enrollment Type and Specialty Matrix](#).

Out-of-State Areas Designated as “In State”

The IHCP designates certain out-of-state areas as “in-state” for PA requirements. This designation is extended to counties located in the metropolitan statistical areas (MSAs) of major cities within or bordering Indiana. Providers with service locations in the out-of-state counties listed in Table 1 will be considered *in-state* for IHCP prior authorization purposes. For a complete list of applicable ZIP codes, see the *Out-of-State Areas Designated as In-State for IHCP Providers* spreadsheet, available on the [Complete an IHCP Provider Enrollment Application](#) webpage at in.gov/medicaid/providers.

Table 1 – Out-of-State Counties Considered In-State for IHCP Prior Authorization

Metropolitan Statistical Area	Out-of-State Counties
Chicago-Naperville-Elgin area	Cook (Illinois)
	DeKalb (Illinois)
	DuPage (Illinois)
	Grundy (Illinois)
	Kane (Illinois)
	Kendall (Illinois)
	Lake (Illinois)
	McHenry (Illinois)
	Will (Illinois)
Cincinnati area	Boone (Kentucky)
	Bracken (Kentucky)
	Brown (Ohio)
	Butler (Ohio)
	Campbell (Kentucky)
	Clermont (Ohio)
	Gallatin (Kentucky)
	Grant (Kentucky)
	Hamilton (Ohio)
	Kenton (Kentucky)
	Pendleton (Kentucky)
	Warren (Ohio)
Louisville/Jefferson County area	Bullitt (Kentucky)
	Henry (Kentucky)
	Jefferson (Kentucky)
	Oldham (Kentucky)
	Shelby (Kentucky)
	Spencer (Kentucky)
	Trimble (Kentucky)
Evansville area	Henderson (Kentucky)
South Bend-Mishawaka area	Cass (Michigan)

Special Circumstances That Allow In-State Status for Out-of-State Providers

Providers that are located outside Indiana and are **not** in one of the counties in [Table 1](#) can still request in-state status if they meet certain criteria. This may be done when applying for IHCP enrollment or revalidation, or at any time, as an update to an existing enrollment.

Out-of-State Providers Other Than Medical Equipment Suppliers

During the IHCP enrollment, revalidation or update process, eligible provider specialties located outside Indiana and designated areas may assert **any** of the following circumstances to support their request to be designated as an in-state provider:

- Enrollment increases access to medically necessary services in areas where the distance to an in-state provider would subject a member, or a member's family, to significant financial hardship or create an unnecessary significant burden on a member.
- Enrollment allows a member to retain a primary medical provider, or to obtain specialty services from a provider (such as centers for excellence) when the same care may not be available from an in-state provider, or would place a significant hardship on a member due to the geographic location of the in-state specialty care provider.
- Transportation to an appropriate in-state provider would cause significant undue expense or hardship on a member or the office.
- Enrollment addresses an emergency health crisis.

Out-of-State Suppliers of Medical Equipment

Durable medical equipment (DME)/home medical equipment (HME) providers (provider type 25) that are located outside Indiana and designated areas, but that would like to request in-state PA status for their IHCP enrollment, must confirm that they meet **all** the following requirements:

- Maintain an Indiana business office, staffed during regular business hours, with telephone service.
- Provide service, maintenance and replacements for IHCP members whose equipment has malfunctioned.
- Qualify with the Indiana Secretary of State as a foreign corporation.
- Anticipate at least 70% of their Indiana business to be rendered by mail order or online purchases.

Providers are required to submit supporting documentation for each of the circumstances asserted at the time of enrollment.

Note: All PA requests submitted by DME or HME suppliers must follow the PA requirements presented in the [Durable and Home Medical Equipment and Supplies](#) module.

Service Restrictions

As noted in 405 IAC 5-5-2(b), PA is not approved for the following services outside Indiana, and these services are not covered when provided by any out-of-state provider, including out-of-state providers designated as “in state”:

- Services provided by home health agencies, nursing facilities or intermediate care facilities for individuals with intellectual disabilities (ICFs/IID)
- Services provided by any other type of long-term care (LTC) facility, including facilities directly associated with (or part of) an acute care general hospital, unless otherwise approved by the Indiana FSSA

For additional provider types and specialties that are ineligible to enroll in the IHCP as out-of-state providers, as well as special requirements for certain out-of-state provider types and specialties, see the [IHCP Provider Enrollment Type and Specialty Matrix](https://in.gov/medicaid/providers) at in.gov/medicaid/providers.

Reimbursement Rates for Out-of-State Providers

The IHCP reimburses enrolled out-of-state providers according to the same reimbursement methodologies and rates used for in-state providers, except as described in the following sections.

Note: Out-of-state hospital providers are not eligible to participate in the IHCP Hospital Assessment Fee (HAF) program, as described in 405 IAC 1-8-5 and 405 IAC 1-10.5-7. This exclusion includes out-of-state hospitals that have been granted “in-state status” for PA purposes, as described in the [Out-of-State Providers With In-State Status](#) section.

Inpatient Rate Adjustments for Out-of-State Facilities

The IHCP applies a rate adjustment factor for inpatient services provided by enrolled out-of-state hospitals (provider type 01) as shown in Table 2.

Table 2 – Inpatient Rate Adjustment Factors for Out-of-State Hospital Providers

Provider Specialty	Service Type	Out-of-State Rate Adjustment Factor
Acute care hospitals (provider specialty 010), excluding children’s hospitals*	Inpatient hospital diagnosis-related group (DRG) services	1.658
	Inpatient hospital burn/2 level-of-care services	0.958
	Inpatient hospital psychiatric level-of-care services	1.067
Psychiatric hospitals (provider specialty 011)	Inpatient hospital psychiatric level-of-care services	1.067
Rehabilitation hospitals (provider specialty 012)	Inpatient hospital rehabilitation level-of-care services	1.800 (Same as for in-state)

**Note: Out-of-state acute care children’s hospitals do not receive a standard rate adjustment for inpatient services; however, for a limited time, designated out-of-state children’s hospitals are eligible to receive enhanced reimbursement for inpatient and outpatient services as described in the [Additional Reimbursement for Eligible Out-of-State Children’s Hospitals](#) section.*

See the [Inpatient Hospital Services](#) module for general information about IHCP hospital reimbursement methodologies.

Outpatient Rate Adjustments for Out-of-State Facilities

Adjusted rates for outpatient services provided by the following out-of-state facilities are included in the Outpatient Fee Schedule, accessible from the [IHCP Fee Schedules](#) webpage at in.gov/medicaid/providers:

- Acute Care (Non-Children's) Hospital, Psychiatric Hospital, and Rehabilitation Hospital (provider type 01, specialties 010, 011 and 012)
- Acute Care Children's Hospital (provider type 01, specialty 010)*
- Ambulatory Surgical Center (provider type 02, specialty 020)
- Outpatient Mental Health Clinic (provider type 11, specialty 110)
- End-Stage Renal Disease (ESRD) Freestanding Renal Dialysis Clinic (provider type 30, specialty 300)

**Note: Designated out-of-state acute care children's hospitals are eligible to receive enhanced reimbursement, in addition to the adjusted rate indicated on the fee schedule, as described in the [Additional Reimbursement for Eligible Out-of-State Children's Hospitals](#) section.*

See the [Outpatient Facility Services](#) modules for general information about IHCP outpatient reimbursement methodologies.

Additional Reimbursement for Eligible Out-of-State Children's Hospitals

In accordance with *Indiana Code IC 12-15-15-1.2*, the IHCP temporarily increased the reimbursement rate for eligible out-of-state children's hospitals to a rate that is comparable to the current federal Medicare reimbursement rate for the service provided, **or** (for services that do not have a Medicare reimbursement rate) **130%** of the standard IHCP Medicaid rate.

This enhanced reimbursement was approved from July 1, 2021, through June 30, 2025. *Indiana House Bill 1024* extends the expiration date to July 1, 2027, pending approval from the Centers for Medicare & Medicaid Services (CMS). During the approved time frame, the increased rate applies, as follows, to inpatient and outpatient services provided by eligible out-of-state children's hospitals to IHCP members younger than 19 years of age:

- **Inpatient hospital services** – The increased base rate is effective for claims with discharge dates on or after July 1, 2021. Additionally, for dates of discharge on or after June 1, 2022, the increased rate also applies to outlier payments. The increase does **not** apply to the capital per diem or medical education per diem (if applicable), which continue to pay at the standard IHCP rate.
- **Outpatient hospital services** – The increased rate is effective for services with “from” dates of service on or after July 1, 2021. This increased rate is applied on top of any applicable adjustment factor indicated for these providers on the Outpatient Fee Schedule. The increased rate does not apply to clinical laboratory codes, prosthetic/orthotic device details billed with revenue code 274 or drug details billed with revenue code 636, which continue to pay at the standard IHCP rate for these services.

This rate applies to both fee-for-service (FFS) and managed care claims. The explanation of benefits (EOB) code 9046 – *Out of State Children's Hospital additional payment* is used to identify FFS claim details that are reimbursed at the increased reimbursement amount.

Eligible out-of-state children's hospitals are children's hospitals located in a state bordering Indiana. In addition, the out-of-state children's hospital must be a freestanding general acute care hospital or a facility located within a freestanding general acute care hospital that meets one of the following criteria:

- Is designated by the Medicare program as a children's hospital
- Furnishes inpatient and outpatient healthcare services to patients who are predominantly individuals younger than 19 years of age

The IHCP identified the following children's hospitals as eligible to receive increased reimbursement under *IC 12-15-15-1.2*:

- Advocate Children's Hospital (Greater Chicago area)
- Ann & Robert H. Lurie Children's Hospital of Chicago
- Children's Hospital of Michigan (Detroit)
- Cincinnati Children's Hospital Medical Center
- Dayton Children's Hospital
- La Rabida Children's Hospital (Chicago)
- Nationwide Children's Hospital (Columbus, Ohio)
- Norton Children's Hospital (Louisville)
- Norton Women's & Children's Hospital (Louisville)
- Shriners Hospitals for Children (Chicago)
- Shriners Hospitals for Children (Dayton)
- University of Chicago – Comer's Children's Hospital

If a hospital meets the requirements of *IC 12-15-15-1.2* and has not been notified that they were approved for the increased rate, please contact Myers and Stauffer at INHospital@mslc.com. If a hospital does not meet the requirements of *IC 12-15-15-1.2*, the hospital is not eligible for this payment program.