

IHCP *bulletin*

INDIANA HEALTH COVERAGE PROGRAMS BT2024106 JULY 11, 2024

IHCP announces HAF adjustment factors for outpatient and inpatient rates

Effective Aug. 1, 2024, the Indiana Health Coverage Programs (IHCP) announces that there will be no change in the Hospital Assessment Fee (HAF) adjustment factors used for outpatient reimbursement and inpatient diagnosis-related group (DRG) reimbursement to eligible hospitals.

These HAF adjustment factors apply within the fee-for-service (FFS) and managed care delivery systems, including reimbursement under the Healthy Indiana Plan (HIP), Hoosier Care Connect, Hoosier Healthwise and Indiana PathWays for Aging programs.

The outpatient and inpatient reimbursement ensure that aggregate payments to eligible providers reasonably approximate the Medicare upper-payment limits without exceeding those limits.

The following are the HAF adjustment factors as of Aug. 1, 2024:

- The adjustment factor for the inpatient DRG base rate is 3.5 (no change).
- The adjustment factor for the inpatient rehabilitation level-of-care (LOC) rate is 3.2 (no change).
- The adjustment factor for the inpatient psychiatric LOC rate is 3.2 (no change).
- The adjustment factor for the inpatient burn LOC rate is 1.0 (no change).
- The adjustment factor for the outpatient rate is 3.9 (no change).

The adjustment factors will continue to be applied to claims with dates of service (DOS) on or after Aug. 1, 2024. The IHCP uses the date of discharge on inpatient claims to determine which inpatient DRG base rate HAF adjustment factor is used.

The HAF reimbursement increase does not apply to the following services billed on an outpatient claim:

- Laboratory procedure codes in the Medicare clinical laboratory fee schedule, available from the [Clinical Laboratory Fee Schedule](#) page at cms.gov
- Procedure codes linked to revenue code 636 – *Pharmacy (Extension of 025X) – Drugs Requiring Detailed Coding*
- Procedure codes linked to revenue code 274 – *Medical/Surgical Supplies and Devices – Prosthetic/Orthotic Devices*

To remain within the hospital upper-payment limit, adjustment factors may be revised in the future. Providers will be notified of any change to the adjustment factors through a future IHCP bulletin.



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