

## **Table of Contents**

**State/Territory Name: IN**

**State Plan Amendment (SPA) #: 23-0023**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
Center for Medicaid & CHIP Services  
233 North Michigan Ave., Suite 600  
Chicago, Illinois 60601



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**Financial Management Group/ Division of Reimbursement Review**

February 27, 2024

Cora Steinmetz  
Medicaid Director  
Indiana Office of Medicaid Policy and Planning  
402 West Washington Street, Room W374  
Indianapolis, IN 46204

RE: Indiana State Plan Amendment TN: 23-0023


Dear Director Steinmetz,

We have reviewed the proposed Indiana State Plan Amendment, TN: 23-0023 which was submitted to the Centers for Medicare & Medicaid Services (CMS) on December 06, 2023. This State Plan Amendment (SPA) proposes to revise Medicaid reimbursement rates for medical supplies and medical equipment that are not subject to the requirements of the 21st Century Cures Act of 2016 as codified at Section 1903 (i)(27) of the Social Security Act.

Based upon the information provided by the State, we have approved the amendment with an effective date of January 1, 2024. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact Matthew Klein at 214-767-4625 or [matthew.klein@cms.hhs.gov](mailto:matthew.klein@cms.hhs.gov)

Sincerely,



Todd McMillion  
Division of Reimbursement Review Director

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL  
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER <u>2 3</u> — <u>0 0 2 3</u>	2. STATE <u>I N</u>
3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <input checked="" type="radio"/> XIX <input type="radio"/> XXI	

TO: CENTER DIRECTOR  
CENTERS FOR MEDICAID & CHIP SERVICES  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE  
**January 1, 2024**

5. FEDERAL STATUTE/REGULATION CITATION  
**42 CFR 438.4(b)(1)**

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY <u>2024</u>	\$ <u>4,074,000</u>
b. FFY <u>2025</u>	\$ <u>5,433,000</u>

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  
Attachment 4.19-B Page 3c.2  
Attachment 4.19-B Page 3c.2.1 (new)  
Attachment 4.19-B Page 3c.3  
Attachment 4.19-B Page 3c.3.1(new)

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)  
Attachment 4.19-B Page 3c.2  
Attachment 4.19-B Page 3c.3

9. SUBJECT OF AMENDMENT  
This State Plan amendment makes changes to the Medicaid State Plan to revise Medicaid reimbursement rates for medical supplies and medical equipment that are not subject to the requirements of the 21st Century Cures Act of 2016 as codified at Section 1903 (i)(27) of the Social Security Act. Medical supplies and medical equipment that are not subject to Section 1903 (i)(27) of the Social Security Act will be reimbursed at the Medicare rate, if available, that takes effect January 1 of the calendar year preceding the Medicaid rate effective date.

10. GOVERNOR'S REVIEW (Check One)

GOVERNOR'S OFFICE REPORTED NO COMMENT  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:

11. SIGNATURE OF STATE AGENCY OFFICIAL  
[Redacted]

12. TYPED NAME  
Cora Steinmetz

13. TITLE  
Medicaid Director

14. DATE SUBMITTED  
December 6, 2023

15. RETURN TO  
Cora Steinmetz  
Medicaid Director  
Indiana Office of Medicaid Policy and Planning  
402 West Washington Street, Room W374  
Indianapolis, IN 46204  
Attn: Madison May-Gruthusen, Federal Relations Lead

**FOR CMS USE ONLY**

16. DATE RECEIVED  
12/06/2023

17. DATE APPROVED  
February 27, 2024

**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL  
01/01/2024

19. SIGNATURE OF APPROVING OFFICIAL  
[Redacted]

20. TYPED NAME OF APPROVING OFFICIAL  
Todd McMillion

21. TITLE OF APPROVING OFFICIAL  
Director, Division of Reimbursement Review

22. REMARKS

## Medical Supplies, Equipment, and Appliances Suitable for Use in the Home

### Medical Supplies

Reimbursement for medical supplies is equal to the lower of the provider's submitted charges, not to exceed the provider's usual and customary charges, or the Medicaid allowable amount. For medical supplies provided on or after July 1, 2013 through January 31, 2021, the Medicaid allowable amount is the Medicaid fee schedule amount in effect on July 1, 2013. If this amount is not available, the Medicaid allowable shall be determined as follows:

- (1) The Indiana Medicare fee schedule amount adjusted by a multiplier of eight-tenths (0.8), if available. If this amount is not available, then
- (2) The average acquisition cost of the item adjusted by a multiplier of one and two-tenths (1.2), if available. If this amount is not available, then
- (3) The manufacturer's suggested retail price adjusted by a multiplier of seven-and-one-half-tenths (0.75). If this amount is not available, then
- (4) The invoice cost of the item adjusted by a multiplier of one and two-tenths (1.2).

For medical supplies provided on or after February 1, 2021 through December 31, 2023, the Medicaid allowable amount is the Medicaid fee schedule amount in effect on January 31, 2021. If this amount is not available, the Medicaid allowable shall be:

- (1) The Indiana Medicare fee schedule amount adjusted by a multiplier of eight-tenths (0.8), if available. If this amount is not available, then
- (2) The manufacturer's suggested retail price adjusted by a multiplier of seven-and-one-half-tenths (0.75). If this amount is not available, then
- (3) The invoice cost of the item adjusted by a multiplier of one and two-tenths (1.2). If this amount is not available, then
- (4) The average acquisition cost of the item adjusted by a multiplier of one and two-tenths (1.2).

For medical supplies provided on or after January 1, 2024, the Medicaid rate will be reviewed annually, taking into account the lowest non-zero Indiana Medicare Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) fee schedule amount or competitive bidding single payment amount that takes effect January 1 of the calendar year preceding the Medicaid rate effective date and adjusted as necessary.

For medical supplies Medicare designates as a capped rental item but does not have a Medicare purchase price, the Medicaid allowable amount for the purchase price shall be the lowest non-zero Indiana Medicare rental rate adjusted by a multiplier of ten (10).

For medical supplies without Medicare fee schedule rates, reimbursement rates will be reviewed and adjusted at such time as Medicare-based rates are adjusted, taking into account the level of Medicare fee schedule changes.

For medical supplies without an established fee schedule rate, the Medicaid allowable amount shall be:

- (1) The manufacturer's suggested retail price adjusted by a multiplier of seven-and-one-half-tenths (0.75). If this amount is not available, then
- (2) The invoice cost of the item adjusted by a multiplier of one and two-tenths (1.2). If this amount is not available, then

- (3) The average acquisition cost of the item adjusted by a multiplier of one and two-tenths (1.2).

For medical supplies provided on or after February 1, 2021 that are subject to Section 1903 (i)(27) of the Social Security Act, the Medicaid allowable shall be the lowest non-zero Indiana Medicare Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) fee schedule amount or competitive bidding single payment amount effective as of January 1 of each year and updated on an annual basis, if available. For medical supplies that are subject to Section 1903 (i)(27) of the Social Security Act and Medicare designates as a capped rental item but does not have a Medicare purchase price, the Medicaid allowable for the purchase price shall be the lowest non-zero Indiana Medicare rental rate adjusted by a multiplier of ten (10).

All reimbursement for medical supplies provided on or after July 1, 2011 thru December 31, 2013 that has been calculated under methods described above shall be reduced by five percent (5%), except for blood glucose monitors, diabetic test strips, items with rates based on acquisition cost, and items with payment based on the manufacturer's suggested retail price.

Except as otherwise noted in the plan, state-developed fee schedule rates for these services are the same for both governmental and private providers. The agency's fee schedule rates are published on the agency's website at [www.indianamedicaid.com](http://www.indianamedicaid.com).

### **Incontinence Supplies**

Reimbursement for incontinence supplies (including diapers, briefs, catheters, trays, tape, gloves and ostomy/colostomy supplies) is based on the contract price established through competitive bidding in accordance with section 1915(a)(I)(B) of the Act and regulations at 42 CFR 431.54(d).

**Medical Supplies, Equipment, and Appliances Suitable for Use in the Home****Medical Equipment**

Medical equipment (ME) means equipment that can withstand repeated use and includes, but is not limited to, the following items: prosthetics, orthotics, beds, canes, walkers, crutches, wheelchairs, traction equipment, and oxygen and oxygen equipment.

Reimbursement for ME is equal to the lower of the provider's submitted charges, not to exceed the provider's usual and customary charges, or the Medicaid allowable amount. For ME provided on or after July 1, 2013 through January 31, 2021, the Medicaid allowable amount is the Medicaid fee schedule amount in effect on June 30, 2013. If this amount is not available, the Medicaid allowable shall be the amount determined as follows:

- (1) The Indiana Medicare fee schedule amount, if available. If this amount is not available, then
- (2) The average acquisition cost of the item adjusted by a multiplier of one and two-tenths (1.2), if available. If this amount is not available, then
- (3) The manufacturer's suggested retail price adjusted by a multiplier of seven-and-one-half-tenths (0.75). If this amount is not available, then
- (4) The invoice cost of the item adjusted by a multiplier of one and two-tenths (1.2).

For ME provided on or after February 1, 2021 through December 31, 2023, the Medicaid allowable amount is the Medicaid fee schedule amount in effect on January 31, 2021. If this amount is not available, the Medicaid allowable shall be:

- (1) The Indiana Medicare fee schedule amount, if available. If this amount is not available, then
- (2) The manufacturer's suggested retail price adjusted by a multiplier of seven-and-one-half-tenths (0.75). If this amount is not available, then
- (3) The invoice cost of the item adjusted by a multiplier of one and two-tenths (1.2). If this amount is not available, then
- (4) The average acquisition cost of the item adjusted by a multiplier of one and two-tenths (1.2).

For ME provided on or after January 1, 2024, the Medicaid rate will be reviewed annually, taking into account the lowest non-zero Indiana Medicare Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) fee schedule amount or competitive bidding single payment amount that takes effect January 1 of the calendar year preceding the Medicaid rate effective date and adjusted as necessary.

For ME that Medicare designates as a capped rental item but does not have a Medicare purchase price, the Medicaid allowable for the purchase price shall be:

- (1) The lowest non-zero Indiana Medicare rental rate divided by one-and-one-half-tenths (0.15) for power wheelchairs, or
- (2) The lowest non-zero Indiana Medicare rental rate adjusted by a multiplier of ten (10) for all other capped rental ME.

For ME without Medicare fee schedule rates, reimbursement rates will be reviewed and adjusted at such time as Medicare-based rates are adjusted, taking into account the level of Medicare fee schedule changes.

For ME without an established fee schedule rate, the Medicaid allowable amount shall be:

- (1) The manufacturer's suggested retail price adjusted by a multiplier of seven-and-one-half-tenths (0.75). If this amount is not available, then
- (2) The invoice cost of the item adjusted by a multiplier of one and two-tenths (1.2). If this amount is not available, then
- (3) The average acquisition cost of the item adjusted by a multiplier of one and two-tenths (1.2).

For ME provided on or after February 1, 2021 that is subject to Section 1903 (i)(27) of the Social Security Act, the Medicaid allowable shall be the lowest non-zero Indiana Medicare Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) fee schedule amount or competitive bidding single payment amount effective as of January 1 of each year and updated on an annual basis, if available. For ME that is subject to Section 1903 (i)(27) of the Social Security Act and Medicare designates as a capped rental item but does not have a Medicare purchase price, the Medicaid allowable for the purchase price shall be:

- (1) The lowest non-zero Indiana Medicare rental rate divided by one-and-one-half-tenths (0.15) for power wheelchairs, or
- (2) The lowest non-zero Indiana Medicare rental rate adjusted by a multiplier of ten (10) for all other capped rental ME.

Reimbursement for hearing aids is equal to the lower of the provider's submitted charges, not to exceed the provider's usual and customary charges, or the Medicaid allowable amount. For hearing aids provided on or after July 1, 2011 through December 31, 2023, the Medicaid allowable amount is the Medicaid fee schedule amount in effect on June 30, 2011. For hearing aids provided on or after January 1, 2024, the Medicaid rate will be reviewed and adjusted at such time as Medicare-based rates for ME are adjusted, taking into account the level of Medicare fee schedule changes. For hearing aids without a fee schedule rate, the Medicaid allowable shall be the amount determined as follows:

- (1) The average acquisition cost of the item adjusted by a multiplier of one and two-tenths (1.2), if available. If this amount is not available, then
- (2) The manufacturer's suggested retail price adjusted by a multiplier of seven-and-one-half-tenths (.75).

Reimbursement rates for binaural hearing aids will be twice the monaural rate.

Reimbursement of a hearing aid dispensing fee is available. The dispensing fee is a one-time dispensing fee. The dispensing fee may be billed only in conjunction with a hearing aid procedure code that has an established fee schedule amount. The dispensing fee includes all services related to the initial fitting and adjustment of the hearing aid, orientation of the patient, and instructions on hearing aid use. The dispensing fee reimbursement rate is effective for hearing aids dispensed on or after July 1, 2011.

All reimbursement for ME and hearing aids provided on or after July 1, 2011 thru December 31, 2013, that has been calculated under methods described above shall be reduced by five percent (5%), except for blood glucose monitors, ME and hearing aids with rates based on acquisition cost, items with payment based on the manufacturer's suggested retail price, and the hearing aid dispensing fee.

Except as otherwise noted in the plan, state-developed fee schedule rates for these services are the same for both governmental and private providers. The agency's fee schedule rates are published on the agency's website at <https://www.in.gov/medicaid/>