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State/Territory Name: IN

State Plan Amendment (SPA) #: 23-0022

This file contains the following documents in the order listed:

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

Financial Management Group/ Division of Reimbursement Review

February 15, 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 IN-23-0022

Dear Director Steinmetz,

We have reviewed the proposed Indiana State Plan Amendment, TN: 23-0022 which was submitted to the Centers for Medicare & Medicaid Services (CMS) on November 21, 2023. This State Plan Amendment (SPA) proposes to make changes to the Medicaid State Plan to revise Medicaid reimbursement rates for physician and other practitioner services, including reimbursement rates for physician, anesthesiology, and dental services.

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

Sincerely,

[redacted]

Todd McMillion
Division of Reimbursement Review Director

Enclosures

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

FORM APPROVED
OMB No. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

1. TRANSMITTAL NUMBER: 23-0022

2. STATE: IN

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT: (●) XIX ( ) 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 438.5(b) and 42 CFR 438.4(b)

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2024 $ 65,938,315
b. FFY 2025 $ 86,934,024

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Attachment 4.19-B Page 1 - 1a.2
Attachment 4.19-B Page 1c
Attachment 4.19-B Page 5d

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*
Attachment 4.19-B Page 1 - 1a.2
Attachment 4.19-B Page 1c
Attachment 4.19-B Page 5d

9. SUBJECT OF AMENDMENT

This State Plan Amendment proposes to reimburse physician services (professional fee schedule) at 100% of the prior year's Medicare rate across all managed care programs and fee-for-service. This SPA proposes to reimburse dental services based on a minimum fee schedule.

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
November 21st, 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
November 21, 2023

17. DATE APPROVED
February 15, 2024

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
January 1, 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

REIMBURSEMENT FOR SERVICES PROVIDED BY PHYSICIANS, LIMITED LICENSE PRACTITIONERS, AND NON-PHYSICIAN PRACTITIONERS

I. A. Summary of the Resource-Based Relative Value Scale (RBRVS) reimbursement methodology

All services provided by physicians, limited license practitioners, and non-physician practitioners will be reimbursed according to a statewide fee schedule based on a Resource-Based Relative Value Scale (RBRVS). This includes services provided by:

Physicians and Limited License Practitioners

- doctors of medicine,
- osteopaths,
- physician or primary care group practices,
- optometrists,
- podiatrists,
- dentists who are oral surgeons,
- chiropractors, and
- health service providers in psychology.

Non-Physician Practitioners

- audiologists,
- physical, occupational, respiratory, and speech therapists,
- licensed psychologists,
- independent laboratory or radiology providers,
- advance practice nurses,
- dentists who are not oral surgeons.
- board certified behavior analysts
- credentialed registered behavior technicians
- licensed pharmacists

Other Licensed or Certified Practitioners

- physician assistants,
- licensed independent practice school psychologist,
- licensed clinical social worker,
- licensed martial and family therapist,
- licensed mental health counselor,
- person holding a master's degree in social work, marital and family therapy, or mental health counseling,
- licensed clinical addiction counselors
- certified registered nurse anesthetists, and
- anesthesiologist assistants
- community health workers

Other Licensed or Certified Practitioners are required to work under the direct supervision of a physician, except licensed clinical social workers, licensed marital and family therapists, licensed mental health counselors, and licensed clinical addiction counselors. Other Licensed Practitioners or Certified Practitioners, except physician assistants, certified registered nurse anesthetists, licensed clinical social workers, licensed marital and family therapists, licensed mental health counselors, and licensed clinical addiction counselors, must bill under the supervising physician's provider number. Except as otherwise noted in the plan, state-developed fee schedule rates for these services are the same for both governmental and private providers. All rates and effective dates are published on the agency's website at in.gov/Medicaid.

Effective for services provided on or after February 1, 2015, the components of the RBRVS methodology used to develop the fee schedule include the July 2014 Medicare Physician Fee Schedule (MPFS) non-facility Relative Value Units (RVUs), the 2014 MPFS Geographic Practice Index (GPCI) for Indiana, and the 2014 MPFS conversion factor. The RVUs are adjusted using the following 20 14 Medicare locality GPCI values to reflect work, practice, and malpractice costs in Indiana: Work: 1.000, Practice Expense: 0.922, Malpractice: 0.615.

To determine the payment rate for each procedure under the RBRVS fee schedule, the Indiana-specific RVU for each procedure is multiplied by the conversion factor according to the following calculation: Payment Amount (Indiana RVU x Indiana Medicaid Conversion Factor). For services prior to February 1, 2015, the Indiana Medicaid conversion factor is $28.61, which was developed using Indiana Medicaid claims data from fiscal year 1992 and specific policy assumptions relative to the Indiana Medicaid program. Effective for services provided on or after February 1, 2015, the Indiana Medicaid conversion factor is $26.8671, which equals 75% of the 2014 MPFS conversion factor of $35.8228. These rates are published at the State's website, in.gov/Medicaid.

Effective for services provided on or after January 1, 2024, the components of the RBRVS methodology used to develop the Medicaid professional fee schedule include the Medicare Physician Fee Schedule (MPFS) non-facility Relative Value Units (RVUs), the MPFS Geographic Practice Index (GPCI) for Indiana, and the MPFS conversion factor published annually by the centers for Medicare and Medicaid Services (CMS). The Medicaid professional fee schedule will be reviewed annually, taking into account the MPFS non-facility RVUs, GPCIs for Indiana, and the conversion factor published by CMS that take effect January 1 of the calendar year preceding the Medicaid rate effective date and adjusted as necessary. For procedures without Medicare fee schedule values, 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. These rates are published at the State's website, in.gov/Medicaid.

I.B. Summary of exceptions to the RBRVS reimbursement methodology

The reimbursement rates for antepartum HCPCS codes 59425 and 59426 are the rates calculated as described above, divided by the expected number of visits. The expected number of visits is 5 for 59425 and 7 for 59426.1.

1. The reimbursement rates for anesthesiology procedures were developed using the total base and time units for each procedure multiplied by the Indiana Medicaid conversion factor for anesthesiology, $13.88. Effective for services provided on or after February 1, 2015, the Indiana Medicaid conversation factor for anesthesiology procedures will be $16.26, which is 75% of the 2014 Medicare anesthesiology conversion factor for Indiana of $21.68.

The calculation is: Anesthesia reimbursement rate (Base Units + Time Units +Additional Units for age (if applicable) + Additional Units for physical status modifiers (as applicable)) x anesthesia conversion factor. Base units were assigned to all anesthesia CPT codes (00100 through 01999) based on the 2002 relative values as published by the American Society of Anesthesiologists. Effective for services provided on or after February 1, 2015, base units for anesthesia CPT codes (001000 through 01999) are based on the 2014 Medicare anesthesia base units. Additional base units are added for age and physical status as applicable. A member younger than one year old or older than 70 years old will receive one (1.0) additional base unit. Physical status modifier P3 (severe systemic disease) receives one (1.0) additional base unit, P4 (severe systemic disease that is a constant threat to life) receives two (2.0) additional base units, and P5 (moribund patient not expected to survive without operation) receives three (3.0) additional base units. If CPT code 99140 is billed to denote an emergency, two (2.0) additional base units are added for physical status modifiers Pl through P5. No additional base units are added for physical status modifier P6.

Effective for services provided on or after January 1, 2024, the base and time units used for the Indiana anesthesiology fee schedule will be reviewed annually, taking into account the anesthesiology fee schedules published by CMS that take effect January 1 of the calendar year preceding the Medicaid rate effective date and adjusted as necessary. For procedures without Medicare fee schedule values, 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. All rates are published at the State's website, in.gov/Medicaid

Time units are converted from the actual time reported on the claim at the rate of one unit for each 15 minute period or fraction thereof. Anesthesia time begins when the anesthesiologist begins preparing the patient for anesthesia care and ends when the anesthesiologist is no longer in personal attendance.

Medical direction of two, three, or four anesthesia procedures is reported using modifier QK and is reimbursed at 30% of the allowable physician rate. Separate reimbursement is not available for anesthesia administered by the same provider performing the surgical procedure.

2. The fee schedule amounts for services of dentists in calendar year 1994 were developed based on fiscal year 1992 charges and the percentage difference between physician and LLP submitted charges for fiscal year 1992 and RBRVS fee schedule amounts. Effective August 1, 1995, to determine the Medicaid allowable amount for which the 1992 charges are not available, Medicaid sets reimbursement rates for most dental procedures equal to 100% of the 75th percentile of the rates reported by the American Dental Association for the East North Central Region (ADA-ENC). The ADA-ENC-based rates may be adjusted annually for inflation, using the Consumer Price Index — Urban, Dental (CPI-UD). The Medicaid agency may set reimbursement for specific dental procedures using a different methodology in order to preserve access to the service.

The five percent (5%) reduction in rates paid to providers in accordance with the methods described in Attachment 4.19-B for dental services provided on or after April 1, 2010 is extended through December 31, 2013.

Effective for services provided on or after January 1, 2024, reimbursement for services of dentists will be set at a percentile, or a percentage thereof, using a published survey of dental market data. All rates are published at the State's website, in.gov/Medicaid.

3. For telemedicine services provided through IATV technology, a facility fee for the originating site (where the patient is located at the time health care services through telemedicine are provided to the individual) is reimbursed at the lesser of the provider's billed charge or the maximum allowance established by the Office of Medicaid Policy and Planning. The reimbursement rate is paid for one unit per encounter. Effective for dates of service on or after January 1, 2024, the rate will be reviewed and adjusted at such time as Medicare-based rates are adjusted, taking into account the level of Medicare fee schedule changes.

If a health care provider's presence at the originating site is determined to be medically necessary by the provider at the distant site, separate reimbursement is available for the appropriate evaluation and management code for the service provided.

The maximum allowance for reimbursement to the distant site (where the provider is located while providing health care services through telemedicine) is based on specific Evaluation and Management (E&M) and End Stage Renal Disease codes and paid as if a traditional encounter were performed.

Except as otherwise noted in the plan, state-developed fee schedule rates for telemedicine services are the same for both governmental and private providers. All rates are published at the State's website, in.gov/Medicaid.

4. Effective for services provided on or after July 1, 2021, the Medicaid allowed amount for COVID-19 monoclonal antibody infusion administration and COVID-19 vaccine administration will be equal to Indiana Medicare's allowed amount for these services.

5. Effective for dates of service on or after July 1, 2021, EMT's under the directions of the physician will be reimbursed for appropriate and medically necessary medical care when an ambulance is dispatched, and treatment is provided to the patient without the patient being transported to another site. Reimbursement for treat-no-transport will be made for Healthcare Common Procedure Coding System (HCPCS) code A0998 at the Indiana Medicaid physician fee schedule rate for Current Procedural Terminology (CPT) code 99203.

Except as otherwise noted in the plan, state-developed fee schedule rates are the same for governmental and private physicians. All rates are published on the agency's website, at in.gov/Medicaid.

6. Beginning with dates of service on or after September 1, 2022, Medicaid will provide stand-alone general pediatric vaccination counseling as part of the early and periodic screening, diagnostic, and treatment (EPSDT) benefit. Effective for dates of service on or after January 1, 2024, the rate will be reviewed and adjusted at such time as Medicare-based rates are adjusted, taking into account the level of Medicare fee schedule changes. All rates are published at the State's website, in.gov/Medicaid. .

3. Services provided on or after February 1, 2015 by independently practicing respiratory therapists (42 CFR 440.60), physical therapists' assistants (42 CFR 440.110) and advance practice nurses (42 CFR 440.166) will be reimbursed at seventy-five percent (75%) of the Medicaid RBRVS physician fee schedule amount for that procedure. State developed fee schedule rates are the same for both public and private providers of these services.

4. Services provided for dates of service on or after March 28, 2016 by a credentialed registered behavior technician (RBT) and supervised by a master's or doctoral level board certified behavior analyst shall be reimbursed at seventy-five percent (75%) of the Medicaid RBRVS physician fee schedule amount for that procedure. Services provided by a RBT under this section prior to March 28, 2016 are not reimbursable.

5. Services provided for dates of service on or after July 1, 2018 by a certified community health worker and supervised by a physician, health services provider in psychology, advanced practice nurse, physician assistant, dentist, podiatrist, or chiropractor shall be reimbursed at fifty percent (50%) of the Medicaid RBRVS physician fee schedule amount for that procedure.

Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and privately employed providers. All rates are published at in.gov/Medicaid.

IV. Application of the RBRVS reimbursement methodology for services provided by other licensed practitioners

1. Certified registered nurse anesthetists (CRNAs) and anesthesiologist assistants (AAs) are reimbursed at 60% of the allowable physician rate.

2. Physician assistants are reimbursed at 75% of the allowable physician rate.

3. Outpatient mental health services provided by:

   A licensed independent practice school psychologist, a licensed clinical social worker, a licensed marital and family therapist, a licensed mental health counselor, a licensed clinical addiction counselor, or a person holding a master's degree in social work, marital and family therapy, or mental health counseling in a physician-directed outpatient mental health facility will be reimbursed at seventy-five percent (75%) of the Medicaid RBRVS physician fee schedule amount for that procedure.

V. Laboratory services

For laboratory procedures not included in the Medicare Part B fee schedule for physician services, reimbursement is based on the Medicare clinical laboratory fee schedule and is paid on a per test basis. Medicaid clinical diagnostic laboratory fee schedules comply with Section 1903(i)(7) that limits Medicaid payments for clinical diagnostic lab services to the amount paid by Medicare for those services on a per test basis. The Medicaid lab fee schedule will be reviewed annually, taking into account the Medicare lab fee schedule rates published by CMS that take effect January 1 of each calendar year and adjusted as necessary. For procedures without Medicare fee schedule values, 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.

Item 13D. Rehabilitation

Intensive Outpatient Treatment (IOT)

Payment for IOT will be based on blended payment rates that are for the Medicaid covered services found on Addendum 3.1-A Item 13.d Rehabilitative Services for Intensive Outpatient Treatment (IOT). The Medicaid covered service components are:

- Individual/Family Therapy; Group Therapy;
- Skills Training;
- Medication Training and Support;
- Peer Recovery Services; and
- Care Coordination

IOT blended payment rates are based on established individual Medicaid payment rates for the Medicaid covered service components, adjusted to reflect utilization of these services in the IOT model. The rates do not include costs related to room and board or other unallowable facility costs.

The state will periodically monitor the actual provision of IOT services paid under a blended rate to ensure that the beneficiaries receive the types, quantity, and intensity of services required to meet their medical needs and to ensure that the rates remain economic and efficient based on the services that are actually provided as part of the blended rate.

Effective for dates of service on or after January 1, 2024, 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.

Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of IOT services. The agency's rates are published at the State's website, in.gov/Medicaid.