

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S2-26-12  
Baltimore, Maryland 21244-1850



**Center for Medicaid, CHIP, and Survey & Certification**

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Ms. Patricia Casanova, Director of Medicaid  
Indiana Office of Medicaid Policy and Planning  
402 West Washington Street, Room W382  
Indianapolis, IN 46204

**MAY 25 2010**

RE: TN 09-006

Dear Ms. Casanova:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 09-006. Effective for services on or after January 1, 2010, this amendment proposes to revise the reimbursement methodology for nursing facilities (NF). Specifically, this amendment increases the add-on for NFs that provide inpatient services to more than 8 ventilator-dependent residents and increases the add-on for NFs that provide specialized care to residents with Alzheimer's Disease or dementia, and operate a special care unit (SCU). Also, this amendment increases the add-on to NFs to encourage improved quality of care to residents based on a nursing home report card score. Additionally this amendment proposes decreases due to increasing the minimum occupancy standards for the direct, indirect, and administrative components for providers with more than 50 beds and also proposes a decrease to the profit add-on component of the NF reimbursement rate. Finally, with this amendment the direct care component of the reimbursement rate and the report card score add-on are no longer subject to a maximum allowable increase.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903(a) of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C. We are pleased to inform you that Medicaid State plan amendment 09-006 is approved effective January 1, 2010. We are enclosing the HCFA-179 and the amended plan pages.

If you have any questions, please call Todd McMillion at (608) 441-5344.

Sincerely,

Cindy Mann  
Director  
Center for Medicaid, CHIP, and Survey & Certification (CMCS)