1.	Inpatient Hospital services	Provided with limitations. Inpatient hospital services are covered when provided or prescribed by a physician and when the services are medically necessary for the diagnosis or treatment of the recipient's condition, subject to the limitations set out in 405 IAC 5.
2.a.	Outpatient Hospital services	Provided with limitations. Outpatient hospital services are covered when provided or prescribed by a physician and when the services are medically necessary for the diagnosis or treatment of the recipient's condition, subject to the limitations set out in 405 IAC 5.
2.b.	Rural Health Clinic services	Provided with limitations. Reimbursement is available to rural health clinics for medically necessary services provided by a physician, nurse practitioner, or appropriately licensed, certified or registered therapist employed by the rural health clinic. Coverage is subject to the limitations set out in 405 IAC 5.
2.c.	Federally Qualified Health Center services	Provided with limitations. Reimbursement is available to FQHCs for medically necessary services provided by a physician, as defined in 42 C.F.R. 405.2401, physician assistant, nurse practitioner, clinical psychologist, clinical social worker, or dental hygienist. Reimbursement is also available for services and supplies incident to such services as would otherwise be covered if furnished by a physician or as an incident to a physician's services. Services to a homebound individual are only available in the case of those FQHCs that are located in an area that has a shortage of home health agencies as determined by Medicaid. Any other ambulatory service included in the Medicaid state plan is considered a covered FQHC service if the FQHC offers such a service.
3.	Other Laboratory and X-ray services	Provided with limitations. All laboratory and x-ray services must be ordered by a physician or other practitioner licensed to do so under state law, and provided subject to the limitations set out in 405 IAC 5.

Retroactive payment will be required when any of the following occur:

(1) A field audit identifies overpayment by Medicaid.
(2) The provider knowingly receives overpayment of a Medicaid claim from the Office. In this event, the provider must:
    (A) complete appropriate Medicaid billing adjustment forms; and
    (B) reimburse the Office for the amount of the overpayment.

New rates set on July 1, 2008, shall be:

(1) effective on July 1; and
(2) annually adjusted thereafter based upon the most recently submitted financial and statistical documentation as filed by all providers of services who billed Medicaid for services provided during the cost report period.
(3) The rates paid to providers in accordance with methods described in Attachment 4.19-B for home health services are subject to a 5% reduction for services on or after April 1, 2010. The 5% rate reduction will remain in effect through June 30, 2011. These rates are published in provider bulletins, which are accessible through the agency's website. The State's website, www.indianamedicaid.com, allows providers access to all provider bulletins.

FEDERALLY QUALIFIED HEALTH CENTERS

Effective for services provided prior to January 1, 2001, and in accordance with Section 6404 of the Omnibus Budget Reconciliation Act of 1989, Indiana Medicaid will pay 100 percent of the costs that are reasonable and related to the cost of furnishing Federally Qualified Health Center (FQHC) services and will meet the requirements of Section 6303 of the *State Medicaid Manual* regarding payment for FQHC services.

Indiana reimburses FQHC services at interim reimbursement rates established by the agency, subject to a retrospective cost settlement process. Interim payment will be based upon and cover the reasonable costs of providing services to Medicaid beneficiaries. Such costs are not to exceed the reasonable costs as determined by the applicable Medicare cost reimbursement principles set forth in 42 CFR Part 413.

Effective January 1, 2001, in accordance with Section 702(b)(aa)(6) of the Medicare, Medicaid and SCHIP Benefits Improvement and Protection Act (BIPA) of 2000, Indiana Medicaid will provide for payment under an alternative payment methodology to FQHCs for services described in section 1905(a)(2)(C). The alternative payment methodology is 100 percent of the costs that are reasonable and related to the cost of furnishing FQHC services, meeting the requirements of Section 6303 of the *State Medicaid Manual*, the *FQHC Cost Reporting Guidelines for Indiana Medicaid* manual (February 7, 2000) regarding payment for FQHC services, and all applicable reimbursement policies in effect on December 31, 2000.

Effective January 1, 2002, in accordance with Section 702(b)(aa)(3) of BIPA, Indiana Medicaid will provide for payment for services provided by FQHCs in an amount (calculated on a per visit basis) that is equal to 100 percent of the average of the costs to the center or clinic for furnishing all Medicaid covered services during fiscal years 1999 and 2000. The rate per visit from each