

JUN - 3 2010

Ms. Patricia Casanova Director of Medicaid Indiana Office of Medicaid Policy and Planning 402 W. Washington Street, Room W382 Indianapolis, IN 46204-2739

Dear Ms. Casanova:

We are approving the proposed amendment to your Medicaid State Plan submitted under Transmittal Number 10-004. Effective April 1, 2010 this amendment modifies the rate for the technical component of radiology services delivered as outpatient hospital services. Enclosed for your records is a copy of this approved State Plan Amendment and finalized Form 179.

As previously communicated to the State, CMS is issuing a companion letter in conjunction our approval of SPA 10-04 in which we request the State to submit a clinic services upper payment limit demonstration because the reimbursement methodology as described in the state plan does not assure compliance with the regulations at 42 CFR 447.321. This regulation limits reimbursement for clinic services to a reasonable estimate of the amount that Medicare would pay for these services.

If you have any questions, please have a member of your staff contact Catherine Leonis at 312-886-5211 or <u>Catherine.Leonis@cms.hhs.gov</u>.

Sincerely,

Verlon Johnson

Associate Regional Administrator

Division of Medicaid and Children's Health Operations

Enclosure