

## **Table of Contents**

**State/Territory Name: IN**

**State Plan Amendment (SPA) #: 13-003**

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

November 15, 2013

Pat Nolting, Interim Director of Medicaid  
Indiana Office of Medicaid Policy and Planning  
402 West Washington Street, Room W374  
Indianapolis, Indiana 46204

ATTN: Michael Cook

Dear Ms. Nolting:

Enclosed for your records is an approved copy of the following State Plan Amendment (SPA).

Transmittal #13-003                    -Extension of 5% rate reduction for medical equipment, hearing aids, and medical supplies through December 31, 2013.  
   -Sole source contracting for incontinence supplies.  
   -Effective Date: July 1, 2013

If you have any questions, please have a member of your staff contact Elizabeth Lewis at (312) 353-1756 or by email at [elizabeth.lewis@cms.hhs.gov](mailto:elizabeth.lewis@cms.hhs.gov).

Sincerely,

/s/

Verlon Johnson  
Associate Regional Administrator  
Division of Medicaid and Children's Health Operations

Enclosure

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>	1. TRANSMITTAL NUMBER: 13-003	2. STATE Indiana
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
FOR: HEALTH CARE FINANCING ADMINISTRATION		4. PROPOSED EFFECTIVE DATE July 1, 2013
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		

5. TYPE OF PLAN MATERIAL (Check One):

NEW STATE PLAN       AMENDMENT TO BE CONSIDERED AS NEW PLAN       AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 440.70(b)(3)	7. FEDERAL BUDGET IMPACT: a. FFY 2014 ( <del>\$770 Thousands</del> ) \$2309 thousands b. FFY 2015 <del>0 Thousands</del> \$3279 thousands
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8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  Attachment 4.19-B Page 3c.2 Attachment 4.19-B Page 3c.3 Attachment 3.1-A, Addendum page 4	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):  Attachment 4.19-B Page 3c.2 Attachment 4.19-B Page 3c.3 Attachment 3.1-A, Addendum page 4
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10. SUBJECT OF AMENDMENT:  
Continuation of the 5% rate reduction for medical equipment, hearing aids, and medical supplies through December 31, 2013.

11. GOVERNOR'S REVIEW (Check One):

GOVERNOR'S OFFICE REPORTED NO COMMENT       OTHER, AS SPECIFIED:  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

**Indiana's Medicaid State Plan does not require the Governor's review. See Section 7.4 of the State Plan**

12. SIGNATURE OF STATE AGENCY OFFICIAL: 	16. RETURN TO: Patricia Casanova Director of Medicaid Indiana Office of Medicaid Policy and Planning 402 West Washington Street, Room W382 Indianapolis, IN 46204 ATTN: Audie Gilmer, State Plan Coordinator
13. TYPED NAME: Patricia Casanova	
14. TITLE: Director of Medicaid	
15. DATE SUBMITTED: 6-27-13	

FOR REGIONAL OFFICE USE ONLY	
17. DATE RECEIVED: June 27, 2013	18. DATE APPROVED: November 15, 2013
PLAN APPROVED - ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: July 1, 2013	20. SIGNATURE OF REGIONAL OFFICIAL: [Signature]
21. TYPED NAME: Verlon Johnson	22. TITLE: Associate Regional Administrator
23. 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. 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 the amount 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 (.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).

All reimbursement for medical supplies provided on or after July 1, 2011 through 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)(1)(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. 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 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 (.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).

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. The Medicaid allowable amount is the Medicaid fee schedule amount in effect on June 30, 2011. If this amount is not available, 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 through 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 [www.indianamedicaid.com](http://www.indianamedicaid.com).

TN # 13-003

Supersedes

TN # 11-017Approval Date: 11/15/13Effective Date: July 1, 2013

7. Home Health services

Home Health Services are provided in accordance with 42 CFR 440.70 and include:

- (1) Intermittent or part-time nursing services in accordance with 42 CFR 440.70 (b)(1).
- (2) Home health aide services in accordance with 42 CFR 440.70(b)(2).
- (3) Medical supplies, equipment, and appliances suitable for use in the home in accordance with 42 CFR 440.70(b)(3).
- (4) Physical Therapy, Occupational Therapy, or Speech Pathology and Audiology services provided by a home health agency or medical rehabilitation facility in accordance with 42 CFR 440.70(b)(4) and 42 CFR 440.110.

Reimbursement for Home Health Services provided by licensed individuals within the scope of practice as defined under state law is available with prior authorization, for medically necessary and reasonable care.

All medically necessary Home Health Services will be provided to children under the age of 21.

Medically necessary and reasonable service is defined as a covered service required for the care or well being of the patient and is provided in accordance with generally accepted standards of medical or professional practice.

All home health services require prior authorization by the Office of Medicaid Policy & Planning (OMPP), except the following:

- (1) Services ordered in writing prior to inpatient hospital discharge provided by an RN, LPN, or home health aide, if the services do not exceed 120 units within 30 calendar days following hospital discharge.
- (2) Nursing services that do not meet the definition of emergency services, are covered without prior authorization when provided to a recipient for whom home health services have been currently authorized.

Coverage is not available for:

- (1) Homemaker, chore services, and sitter/companion service.
- (2) Educational activities.
- (3) Out of state home health agency services.
- (4) Therapy rendered for diversional, vocational, recreational, or avocational purposes.
- (5) Activities that can be conducted by non-medical personnel.

All incontinence supplies must be provided by the one provider under contract with the Indiana Medicaid program to provide incontinence supplies.