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State/Territory Name: Indiana

State Plan Amendment (SPA) #: IN-15-0005

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

Department of Health & Human Services
Centers for Medicare & Medicaid Services
233 North Michigan Avenue, Suite 600
Chicago, Illinois 60601-5519



October 23, 2015

Joseph Moser, Director of Medicaid
Indiana Office of Medicaid Policy and Planning
402 West Washington Street, Room W461
Indianapolis, Indiana 46204

ATTN: Kelly Flynn

Dear Mr. Moser:

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

Transmittal #15-0005: Extends the current three percent (3%) rate reductions for outpatient hospital services through June 30, 2017.

If you have any questions, please have a member of your staff contact Tannisse Joyce at (312) 886-5121 or by email at tannisse.joyce@cms.hhs.gov.

Sincerely,

/s/

Ruth A. Hughes
Associate Regional Administrator
Division of Medicaid and Children's Health Operations

Enclosure

cc: Kelly Flynn, FSSA
Amber Swartzell, FSSA

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:
15-005

2. STATE
Indiana

FOR: HEALTH CARE FINANCING ADMINISTRATION

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
July 1, 2015

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 447.321

7. FEDERAL BUDGET IMPACT:

a. FFY 2015 \$0
b. FFY 2016 \$0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-B Page 2.0

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Attachment 4.19-B Page 2.0

10. SUBJECT OF AMENDMENT:

This State Plan amendment makes conforming changes to the State Plan to extend the current three percent (3%) rate reductions for outpatient hospital services that are currently set to expire on June 30, 2015. These rate reductions will be extended for the period July 1, 2015 through June 30, 2017.

11. 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:

**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:

[Redacted Signature]

13. TYPED NAME: Joseph Moser

14. TITLE: Medicaid Director

15. DATE SUBMITTED: 8/19/2015

16. RETURN TO:

Joseph Moser
Medicaid Director
Indiana Office of Medicaid Policy and Planning
402 West Washington Street, Room W382
Indianapolis, IN 46204
ATTN: Kelly Flynn, State Plan Coordinator

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

8/19/2015

18. DATE APPROVED:

October 23, 2015

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

July 1, 2015

20. SIGNATURE OF REGIONAL OFFICIAL:

/s/

21. TYPED NAME:

Ruth A. Hughes

22. TITLE:

Associate Regional Administrator

23. REMARKS:

Outpatient Hospital Services

The rates paid to outpatient hospital providers for services provided on and after January 1, 2010, and in accordance with methods described in Attachment 4.19-B in the Outpatient Hospital Services section, excluding ambulatory surgical center services, are subject to a 5% reduction. The 5% rate reduction will remain in effect through December 31, 2013. The rates paid to outpatient hospital providers, excluding ambulatory surgical center services, for services provided on and after January 1, 2014 through June 30, 2017 are subject to a 3% reduction.

Notwithstanding the preceding paragraph, for the period beginning July 1, 2011, Indiana outpatient hospital rates are subject to an outpatient hospital adjustment factor. The outpatient hospital adjustment factors will result in aggregate payments that reasonably approximate the upper payment limits but do not result in payments in excess of the upper payment limits.

For the period of July 1, 2011 through June 30, 2013, the outpatient hospital adjustment factor is 3.50, for the period beginning July 1, 2013 through July 31, 2014, the outpatient hospital adjustment factor is 3.20, and for the period beginning August 1, 2014, the outpatient hospital adjustment factor is 2.7, for:

- Acute care hospitals licensed under IC 16-21, except for those specified below
- Psychiatric institutions licensed under IC 12-25

For the period of July 1, 2011 through December 31, 2013, the outpatient hospital adjustment factor is 0.95, and for the period of January 1, 2014 through June 30, 2017, the outpatient hospital adjustment factor is 0.97, for:

- Long term care hospitals
- Freestanding rehabilitation hospitals
- Out-of-state hospitals
- Clinical laboratory services

The following sections of the State Plan do not apply for the period beginning July 1, 2011:

- Limitations on payments for an individual claim to the lesser of the amount computed or billed charges.
- Medicaid Outpatient Payments for Safety net Hospitals
- Medicaid Hospital Reimbursement Add-On Payment Methodology to Compensate Hospitals that Deliver Hospital Care for the Indigent Program Service.
- Municipal Hospital Payment Adjustments
- Supplemental Payments to Privately-Owned Hospitals

Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of outpatient hospital services. The agency's rates are published at the State's website, www.indianamedicaid.com.