

## **Table of Contents**

**State/Territory Name: IN**

**State Plan Amendment (SPA) #: 15-010**

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  
7500 Security Boulevard, Mail Stop S3-14-28  
Baltimore, Maryland 21244-1850



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**Financial Management Group**

**DEC 23 2015**

Mr. Joseph Moser, Director of Medicaid  
Office of Medicaid Policy and Planning  
Indiana Family and Social Services Administration  
402 West Washington Street, Room W461  
Indianapolis, IN 46204-2739

RE: Indiana State Plan Amendment (SPA) 15-0010

Dear Mr. Moser:

Effective July 1, 2015, SPA 15-0010 makes conforming changes to the state plan to extend the current 3% rate reduction for inpatient hospital services that is currently set to expire 6/30/15. These rate reduction will be extended for the period of July 1, 2015 thru June 30, 2017.

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 hereby inform you that Medicaid State plan amendment 15-0010 is approved effective July 1, 2015. We are enclosing the HCFA-179 and the amended plan pages.

If you have any questions, please call Fredrick Sebree at (217) 492-4122 or via email at [Fredrick.sebree@cms.hhs.gov](mailto:Fredrick.sebree@cms.hhs.gov).

Sincerely,



Kristin Fan  
Director

Enclosures

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

1. TRANSMITTAL NUMBER:  
15-010

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 447.272

7. FEDERAL BUDGET IMPACT:

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

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19A, page 1H 3

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  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

Attachment 4.19A, page 1H 3

10. SUBJECT OF AMENDMENT:

This State Plan amendment makes conforming changes to the State Plan to extend the current three percent (3%) rate reduction for inpatient hospital services that is currently set to expire on June 30, 2015. This rate reduction 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:

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:

18. DATE APPROVED: DEC 23 2015

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

JUL 01 2015

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME: Kristin Fan

22. TITLE: Director, FMC

23. REMARKS:

The rates paid to providers in accordance with methods described in the preceding pages of Attachment 4.19-A for inpatient hospital services, excluding supplemental Medicaid inpatient payments for Safety-Net hospitals, are subject to a 5% reduction for services on and after January 1, 2010. The 5% rate reduction will remain in effect through December 31, 2013. Medicaid payments for inpatient hospital services, excluding supplemental Medicaid inpatient payments for Safety-Net hospitals, are subject to a 3% reduction for services on and after January 1, 2014 through June 30, 2017.

Notwithstanding the preceding paragraph, for the period beginning July 1, 2011, Indiana hospital rates are subject to a hospital adjustment factor. The 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.

A test will be made following the close of each state fiscal year to assure that annual inpatient payments do not exceed total inpatient billed charges for the fiscal year. Payments in excess of billed charges will be recovered. As permitted by 42 CFR 447.271(b), nominal charge hospitals identified in IC 12-15-15-11 are not subject to the inpatient charge limitation above.

The hospital adjustment factor for the DRG Base rate is 3.00 for the period of July 1, 2011 through July 31, 2014, and 2.10 for the period beginning August 1, 2014.

The hospital adjustment factor for Psych Level of Care rates is 2.20 for the period beginning July 1, 2011.

The hospital adjustment factor for acute care hospital Rehab Level of Care rates is 3.00 for the period of July 1, 2011 through July 31, 2014, and 2.60 for the period beginning August 1, 2014.

The hospital adjustment factor for Burn Level of Care rates is 1.00.

The adjustment factors above apply to acute care hospitals licensed under IC 16-21, except for those specified below, and psychiatric institutions licensed under IC 12-25.

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

- Long term care hospitals
- Out-of-state hospitals
- Freestanding Rehabilitation hospitals.

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 Inpatient 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.
- High Volume Outlier Payment Adjustment

The agency's rates are published in provider bulletins which are accessible through the agency's website, [www.indianamedicaid.com](http://www.indianamedicaid.com).

TN: 15-010

Supersedes

TN: 14-005

Approval Date: DEC 23 2015

Effective Date: July 1, 2015