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State/Territory Name: Indiana

State Plan Amendment (SPA) #: 16-0004

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

February 6, 2017

Joe Moser, Director
Family Social Services Administration
Office of Medicaid Policy and Planning
402 West Washington, Room W374
Indianapolis, IN 46204

ATTN: Tim Hawkins

RE: TN 16-0004 – Birthing center facility delivery rate

Dear Mr. Moser:

Enclosed for your records is an approved copy of the following state plan amendment.

Transmittal #16-0004:

- This state plan amendment changes the basis of the birthing center facility delivery rate from the Medicaid Diagnostic Related Group system in effect on July 1, 2011 to the Medicaid Diagnostic Related Group system in effect on the date of service; also, to change the basis of the birthing center labor management rate to equal the Medicaid Ambulatory Surgical Center rate that is closest to but not exceeding one third of the facility delivery rate.
- Effective Date: January 1, 2017

If you have any questions, please have a member of your staff contact Jennifer Maslowski at (217) 492-4120 or by email at jennifer.maslowski@cms.hhs.gov.

Sincerely,



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

Enclosure

cc: Tim Hawkins, OMPP
Kelly Flynn, OMPP

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

1. TRANSMITTAL NUMBER: TN# 16-0004	2. STATE Indiana
3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
4. PROPOSED EFFECTIVE DATE January 1, 2017	

FOR: HEALTH CARE FINANCING ADMINISTRATION

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:
1905(a)(28) of the Social Security Act; ~~42 CFR 447.205~~ ^{KBF} 11/20/16


7. FEDERAL BUDGET IMPACT: (in millions) *thousands*
a. FFY 2017 \$0.03 *\$29*
b. FFY 2018 \$0.04 *\$39* *TSH 2.2.17*

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Attachment 4.19-B, Page 2.0a

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):
Attachment 4.19-B, Page 2.0a
~~TN# 16-0004~~ ^{KBF} 12/20/16

10. SUBJECT OF AMENDMENT:
OMPP proposes to modify the reimbursement methodology for freestanding birthing centers by changing the basis of the facility delivery rate from the Medicaid inpatient diagnosis-related group (DRG) system in effect on June 30, 2011 to the DRG system in effect on the date of service. The basis of the facility labor management rate is also being changed to equal the Medicaid ambulatory surgery center (ASC) rate that is closest to but not exceeding 1/3 of the facility delivery rate. These changes are subject to the approval of the Centers for Medicare and Medicaid Services. If approved, the changes will be effective January 1, 2017.

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:


13. TYPED NAME: Joseph Moser

14. TITLE: Medicaid Director

15. DATE SUBMITTED: 11-10-16

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 and Waiver Manager

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:
November 10, 2016

18. DATE APPROVED:
February 6, 2017

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
January 1, 2107

20. SIGNATURE OF REGIONAL OFFICIAL:
/s/

21. TYPED NAME:
Ruth A. Hughes

22. TITLE:
Associate Regional Administrator

23. REMARKS:

Freestanding Birthing Center Services

Covered freestanding birthing center services provided on or after January 1, 2017, shall be reimbursed in accordance with this section.

(1) Payment of a facility delivery fee shall be made to the birthing center for facility services. The facility delivery fee is a global fee that includes all services and supplies relating to the delivery. The facility delivery fee is an equivalent daily rate of the inpatient DRG base payment, as of the date of service, for an uncomplicated delivery.

(2) Payment of a facility labor management fee shall be made to the facility for those situations when the patient is transferred to a hospital before the delivery. The facility labor management fee is equal to the Indiana ASC rate which is closest to but not exceeding 1/3 of the facility delivery fee in effect on the date of service.

(3) Payment for the professional services of physicians and certified nurse midwives shall be made apart from the facility delivery fee and facility labor management fee in accordance with the established reimbursement methodology for physicians and certified nurse midwife services as indicated in Attachment 4.19B Page 1, Section I.A of the State Plan.

TN # 16-004

Supersedes
TN # 11-024

Approval Date February 6, 2017

Effective Date January 1, 2017