

## **Table of Contents**

**State/Territory Name: IN**

**State Plan Amendment (SPA) #: 16-015**

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

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**Financial Management Group**

**MAR 29 2017**

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

ATTN: Amber Swartzell, State Plan Coordinator

Dear Mr. Moser:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 16-015. Effective November 1, 2016, this state plan amendment makes conforming changes to the State Plan to remove the inpatient hospital adjustment factors from the state plan.

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 16-015 is approved effective November 1, 2016. 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

2-28-17 TBHII  
reversed

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>  <b>FOR: HEALTH CARE FINANCING ADMINISTRATION</b>		1. TRANSMITTAL NUMBER: TN 16-0015	2. STATE Indiana
		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 November 1, 2016	
5. TYPE OF PLAN MATERIAL (Check One):			
<input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: <del>405 IAC 5-3-13, 42 CFR 447.205</del> 42 CFR 440.10		7. FEDERAL BUDGET IMPACT: (in thousands) a. FFY 2017 \$0.00 b. FFY 2018 \$0.00	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-A Page 1 H.3		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-A Page 1 H.3	
10. SUBJECT OF AMENDMENT: This State Plan amendment makes conforming changes to the State Plan to remove the inpatient hospital adjustment factors from the state plan, effective November 1, 2016. As directed by Indiana state statute, the Family and Social Services Administration (FSSA) Office of Medicaid Policy and Planning (OMPP) implemented an assessment fee on most hospitals and revised the reimbursement methodology for inpatient hospital services to make inpatient hospital payments at the aggregate level of reimbursement that would be paid under Medicare payment principles.			
11. GOVERNOR'S REVIEW (Check One):			
<input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL		<input checked="" type="checkbox"/> 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:		16. RETURN TO:	
13. TYPED NAME: Joseph Moser		Joseph Moser Medicaid Director Indiana Office of Medicaid Policy and Planning 402 West Washington Street, Room W382 Indianapolis, IN 46204 ATTN: Kelly Flynn, Waiver and State Plan Manager	
14. TITLE: Medicaid Director			
15. DATE SUBMITTED: 11-10-16			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED:		18. DATE APPROVED: MAR 29 2017	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: NOV 01 2016		20. SIGNATURE OF REGIONAL OFFICIAL:	
21. TYPED NAME: Kristin FAN		22. TITLE: Director FM Co	
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 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, including the hospital adjustment factors, are published on the agency's website, [www.indianamedicaid.com](http://www.indianamedicaid.com).

TN: 16-015  
Supersedes  
TN: 15-010

Approval Date: MAR 29 2017

Effective Date: November 1, 2016