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State/Territory Name: IN

State Plan Amendment (SPA) #: 17-004

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



Financial Management Group

SEP 27 2017

Allison Taylor, Interim Medicaid Director
Family Social Services Administration
402 West Washington, Room W461
Indianapolis, IN 46204

ATTN: Tim Hawkins

Dear Ms. Taylor:

Effective July 1, 2017, state plan amendment (SPA) 17-0004 makes conforming changes to the state plan to extend the current 3% rate reduction for inpatient hospital services that is currently set to expire 6/30/17. The rate freeze will be extended for the period of July 1, 2017 thru June 30, 2019. The state assures that the rates do not impinge on access to inpatient hospital services and beneficiaries' access to services are adequate. The state did receive comments from providers opposing the rate freeze, however, the comments did not suggest a loss of access to care. Further, the Indiana Hospital Assessment Fee (HAF) provides hospitals relief and an incentive to provide care for the Medicaid population by providing higher reimbursements through base rate adjustments. Based on this information, we are inferring that the amendment does not affect consistency with the access to care requirements described in section 1902(a)(30)(A) of the Act.

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 17-0004 is approved effective July 1, 2017. 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.

Sincerely,

A solid black rectangular box redacting the signature of Kristin Fan.

Kristin Fan
Director

Enclosures

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

1. TRANSMITTAL NUMBER:
17-004

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
07/01/2017

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 440.10

7. FEDERAL BUDGET IMPACT: (in thousands)
a. FFY 2017 (\$752)
b. FFY 2018 (\$2,859)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19A, Page 1 H.3

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION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

Attachment 4.19A, Page 1 H.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, 2017. This rate reduction will be extended for the period July 1, 2017 through June 30, 2019. As this amendment is an extension of the current rate reduction, there is no fiscal impact associated with this amendment.

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: Allison Taylor

14. TITLE: Interim Medicaid Director

15. DATE SUBMITTED: 7.14.17

16. RETURN TO:

Allison Taylor
Interim Medicaid Director
Indiana Office of Medicaid Policy and Planning
402 West Washington Street, Room W374
Indianapolis, IN 46204
ATTN: Tim Hawkins, Federal Relations Lead

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

18. DATE APPROVED:

SEP 27 2017

PLAN APPROVED -- ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME: KRISTIN FAN

22. TITLE: Director, FMB

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, 2019.

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 are published in provider bulletins which are accessible through the agency's website, www.indianamedicaid.com.

TN: 17-004
Supersedes
TN: 16-015

SEP 27 2017

Approval Date: _____

Effective Date: July 1, 2017