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**State/Territory Name: Indiana**

**State Plan Amendment (SPA) #: 19-0003**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
233 N. Michigan Avenue, Suite 600  
Chicago, Illinois 60601-5519



**Regional Operations Group**

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September 13, 2019

Allison Taylor, Medicaid Director  
Family and Social Services Administration  
402 West Washington, Room W374  
Indianapolis, IN 46204

ATTN: Amy Owens

RE: Transmittal Number (TN) 19-0003

Dear Ms. Taylor:

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

TN 19-003: This State Plan Amendment brings Medicaid reimbursement for medical equipment and medical supplies into compliance with the 21st Century Cures Act of 2016 and State Medicaid Director letter 18-001.

- Effective Date: July 1, 2019
- Approval Date: September 13, 2019

If you have any questions, please have a member of your staff contact Jennifer Maslowski at (312) 886-2567 or by email at [jennifer.maslowski@cms.hhs.gov](mailto:jennifer.maslowski@cms.hhs.gov).

Sincerely,

/s/

Ruth A. Hughes  
Deputy Director  
Center for Medicaid and CHIP Services  
Regional Operations Group

cc: Amy Owens, FSSA  
Gabrielle Koenig, FSSA

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL  
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER 19-003	2. STATE Indiana
3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
4. PROPOSED EFFECTIVE DATE July 1, 2019	

TO: REGIONAL ADMINISTRATOR  
CENTERS FOR MEDICARE & MEDICAID SERVICES  
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 42 CFR 440.120, 42 CFR 410.36, 42 CFR 410.38	7. FEDERAL BUDGET IMPACT a. FFY 2019 \$ 29 b. FFY 2020 \$ 117
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19-B Page 3c.2 Attachment 4.19-B Page 3c.3	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Attachment 4.19-B Page 3c.2 Attachment 4.19-B Page 3c.3


10. SUBJECT OF AMENDMENT:

This amendment brings Medicaid reimbursement for medical equipment and medical supplies into compliance with the 21st Century Cures Act of 2016 and State Medicaid Director letter 18-001. This change will be effective July 1, 2019.

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 	16. RETURN TO: Allison Taylor Medicaid Director Indiana Office of Medicaid Policy and Planning 402 West Washington Street, Room W382 Indianapolis, IN 46204 ATTN: Amy Owens, Federal Relations Lead
13. TYPED NAME: Allison Taylor	
14. TITLE: Medicaid Director	
15. DATE SUBMITTED 7/3/2019	

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED July 3, 2019	18. DATE APPROVED September 13, 2019
<b>PLAN APPROVED - ONE COPY ATTACHED</b>	
19. EFFECTIVE DATE OF APPROVED MATERIAL July 1, 2019	20. SIGNATURE OF REGIONAL OFFICIAL /s/
21. TYPED NAME Ruth A. Hughes	22. TITLE Deputy Director

23. REMARKS

**Medical Supplies, Equipment, and Appliances Suitable for Use in the Home****Medical Supplies**

Reimbursement for medical supplies is equal to the lower of the provider's submitted charges, not to exceed the provider's usual and customary charges, or the Medicaid allowable amount. For medical supplies provided on or after July 1, 2013 through June 30, 2019, the Medicaid allowable amount is the Medicaid fee schedule amount in effect on July 1, 2013. If this amount is not available, the Medicaid allowable shall be:

- (1) The Indiana Medicare fee schedule amount adjusted by a multiplier of eight-tenths (0.8), if available. If this amount is not available, then
- (2) The average acquisition cost of the item adjusted by a multiplier of one and two-tenths (1.2), if available. If this amount is not available, then
- (3) The manufacturer's suggested retail price adjusted by a multiplier of seven-and-one-half-tenths (.75). If this amount is not available, then
- (4) The invoice cost of the item adjusted by a multiplier of one and two-tenths (1.2).

For medical supplies provided on or after July 1, 2019, the Medicaid allowable shall be the lowest non-zero Indiana Medicare Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) fee schedule amount or competitive bidding single payment amount effective as of January 1 of each year and updated on an annual basis, if available. If this amount is not available, the Medicaid allowable shall be:

- (1) The average acquisition cost of the item adjusted by a multiplier of one and two-tenths (1.2), if available. If this amount is not available, then
- (2) The manufacturer's suggested retail price adjusted by a multiplier of seven-and-one-half-tenths (.75). If this amount is not available, then
- (3) The invoice cost of the item adjusted by a multiplier of one and two-tenths (1.2).

All reimbursement for medical supplies provided on or after July 1, 2011 thru December 31, 2013 that has been calculated under methods described above shall be reduced by five percent (5%), except for blood glucose monitors, diabetic test strips, items with rates based on acquisition cost, and items with payment based on the manufacturer's suggested retail price.

Except as otherwise noted in the plan, state-developed fee schedule rates for these services are the same for both governmental and private providers. The agency's fee schedule rates are effective for dates of service on or after July 1, 2019, and are published on the agency's website at [www.indianamedicaid.com](http://www.indianamedicaid.com).

**Incontinence Supplies**

Reimbursement for incontinence supplies (including diapers, briefs, catheters, trays, tape, gloves and ostomy/colostomy supplies) is based on the contract price established through competitive bidding in accordance with section 1915(a)(I)(B) of the Act and regulations at 42 CFR 431.54(d).

TN # 19-003

Supersedes

TN # 13-003Approval Date: 9/13/19Effective Date: July 1, 2019

**Medical Supplies, Equipment, and Appliances Suitable for Use in the Home****Medical Equipment**

Medical equipment (ME) means equipment that can withstand repeated use and includes, but is not limited to, the following items: prosthetics, orthotics, beds, canes, walkers, crutches, wheelchairs, traction equipment, and oxygen and oxygen equipment.

Reimbursement for ME is equal to the lower of the provider's submitted charges, not to exceed the provider's usual and customary charges, or the Medicaid allowable amount. For ME provided on or after July 1, 2013 through June 30, 2019, the Medicaid allowable amount is the Medicaid fee schedule amount in effect on June 30, 2013. If this amount is not available, the Medicaid allowable shall be:

- (1) The Indiana Medicare fee schedule amount, if available. If this amount is not available, then
- (2) The average acquisition cost of the item adjusted by a multiplier of one and two-tenths (1.2), if available. If this amount is not available, then
- (3) The manufacturer's suggested retail price adjusted by a multiplier of seven-and-one-half-tenths (.75). If this amount is not available, then
- (4) The invoice cost of the item adjusted by a multiplier of one and two-tenths (1.2).

For ME provided on or after July 1, 2019, the Medicaid allowable shall be the lowest non-zero Indiana Medicare Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) fee schedule amount or competitive bidding single payment amount effective as of January 1 of each year and updated on an annual basis, if available. If this amount is not available, the Medicaid allowable shall be:

- (1) The average acquisition cost of the item adjusted by a multiplier of one and two-tenths (1.2), if available. If this amount is not available, then
- (2) The manufacturer's suggested retail price adjusted by a multiplier of seven-and-one-half-tenths (.75). If this amount is not available, then
- (3) The invoice cost of the item adjusted by a multiplier of one and two-tenths (1.2).

Reimbursement for hearing aids is equal to the lower of the provider's submitted charges, not to exceed the provider's usual and customary charges, or the Medicaid allowable amount. The Medicaid allowable amount is the Medicaid fee schedule amount in effect on June 30, 2011. If this amount is not available, the Medicaid allowable shall be:

- (1) The average acquisition cost of the item adjusted by a multiplier of one and two-tenths (1.2), if available. If this amount is not available, then
- (2) The manufacturer's suggested retail price adjusted by a multiplier of seven-and-one-half-tenths (.75).

Reimbursement rates for binaural hearing aids will be twice the monaural rate.

Reimbursement of a hearing aid dispensing fee is available. The dispensing fee is a one-time dispensing fee. The dispensing fee may be billed only in conjunction with a hearing aid procedure code that has an established fee schedule amount. The dispensing fee includes all services related to the initial fitting and adjustment of the hearing aid, orientation of the patient, and instructions on hearing aid use. The dispensing fee reimbursement rate is effective for hearing aids dispensed on or after July 1, 2011.

All reimbursement for ME and hearing aids provided on or after July 1, 2011 thru December 31, 2013, that has been calculated under methods described above shall be reduced by five percent (5%), except for blood glucose monitors, ME and hearing aids with rates based on acquisition cost, items with payment based on the manufacturer's suggested retail price, and the hearing aid dispensing fee.

Except as otherwise noted in the plan, state-developed fee schedule rates for these services are the same for both governmental and private providers. The agency's fee schedule rates are effective for dates of service on or after July 1, 2019, and are published on the agency's website at [www.indianamedicaid.com](http://www.indianamedicaid.com).

TN # 19-003

Supersedes

TN # 13-003

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