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State/Territory Name: Indiana

State Plan Amendment (SPA) #: 19-0005

This file contains the following documents in the order listed:

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

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



Regional Operations Group

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) 19-0005

Dear Ms. Taylor:

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

TN 19-005: This State Plan Amendment extends the current three percent (3%) rate reduction for outpatient hospital services. This rate reduction will be extended for the period July 1, 2019 through June 30, 2021. As this amendment is an extension of the current rate reduction, there is no fiscal impact associated with this amendment.

- 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.

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 19-005	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 440.20	7. FEDERAL BUDGET IMPACT a. FFY 2019 \$ (388) b. FFY 2020 \$ (1542)
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19B Page 2.0	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Attachment 4.19B Page 2.0

10. SUBJECT OF AMENDMENT:
This State Plan amendment makes conforming changes to the Medicaid State Plan to extend the current three percent (3%) rate reduction for outpatient hospital services that is currently set to expire on June 30, 2019. This rate reduction will be extended for the period July 1, 2019 through June 30, 2021. 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 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 7/10/2019	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED July 10, 2019	18. DATE APPROVED September 13, 2019
PLAN APPROVED - ONE COPY ATTACHED	
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

Outpatient Hospital Services

The rates paid to outpatient hospital providers for services provided on and after January 1, 2010, and in accordance with methods described in Attachment 4.19-B in the Outpatient Hospital Services section, excluding ambulatory surgical center services, are subject to a 5% reduction. The 5% rate reduction will remain in effect through December 31, 2013. The rates paid to outpatient hospital providers, excluding ambulatory surgical center services, for services provided on and after January 1, 2014 through June 30, 2021 are subject to a 3% reduction.

Indiana outpatient hospital rates 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 at 42 CFR 447.321.

The state uses a cost based outpatient hospital upper payment limit methodology whereby the Medicare cost-to-charge ratio is multiplied by Medicaid covered outpatient charges and summed by hospital class. Medicaid claims detail information is grouped by revenue code. The appropriate cost report cost center is determined for each revenue code. The cost-to-charge ratio used is obtained from the CMS 2552, Worksheet C, Part I, Column 11, Lines 50-98. The upper payment limit is trended for inflation using a hospital market basket index, prorated quarterly, and applied to Medicaid charges only. The upper payment limit is trended for volume, applied to both Medicaid payments and charges.

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 Outpatient 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

Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of outpatient hospital services. The agency's rates were set as of November 1, 2016 and are effective for all services provided on or after that date. All rates are published at the State's website, www.indianamedicaid.com.

TN: 19-005

Supersedes

TN: 17-005Approval Date: 9/13/19Effective Date: July 1, 2019