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**State/Territory Name: Indiana**

**State Plan Amendment (SPA) #: 20-0015**

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  
Center for Medicaid & CHIP Services  
233 North Michigan Ave., Suite 600  
Chicago, Illinois 60601



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**Financial Management Group**

October 28, 2020

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

RE: TN 20-0015

Dear Ms. Taylor:

We have reviewed the proposed Indiana State Plan Amendment (SPA) to Attachment 4.19-B 20-0015, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on September 22, 2020. This plan amendment updates the Medicaid reimbursement rates for medical equipment (ME) and medical supplies HCPCS codes subject to the requirements of the 21st Century Cures Act of 2016.

Based upon the information provided by the State, we have approved the amendment with an effective date of February 1, 2021. We are enclosing the approved CMS-179 (HCFA-179) and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact Debi Benson at 1-312-886-0360 or [Deborah.Benson@cms.hhs.gov](mailto:Deborah.Benson@cms.hhs.gov).

Sincerely,

A solid black rectangular box redacting the signature of Todd McMillion.

Todd McMillion  
Director  
Division of Reimbursement Review

Enclosures



**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 January 31, 2021, 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 determined as follows:

- (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 (0.75). 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 February 1, 2021, the Medicaid allowable amount is the Medicaid fee schedule amount in effect on January 31, 2021. 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 manufacturer's suggested retail price adjusted by a multiplier of seven-and-one-half-tenths (0.75). 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). If this amount is not available, then
- (4) The average acquisition cost of the item adjusted by a multiplier of one and two-tenths (1.2).

For medical supplies provided on or after February 1, 2021 that are subject to Section 1903 (i)(27) of the Social Security Act, 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. For medical supplies that are subject to Section 1903 (i)(27) of the Social Security Act and Medicare designates as a capped rental item but does not have a Medicare purchase price, the Medicaid allowable for the purchase price shall be the lowest non-zero Indiana Medicare rental rate adjusted by a multiplier of ten (10).

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 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).

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TN # 19-015

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**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 January 31, 2021, 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 the amount determined as follows:

- (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 (0.75). 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 February 1, 2021, the Medicaid allowable amount is the Medicaid fee schedule amount in effect on January 31, 2021. 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 manufacturer's suggested retail price adjusted by a multiplier of seven-and-one-half-tenths (0.75). 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). If this amount is not available, then
- (4) The average acquisition cost of the item adjusted by a multiplier of one and two-tenths (1.2).

For ME provided on or after February 1, 2021 that is subject to Section 1903 (i)(27) of the Social Security Act, 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. For ME that is subject to Section 1903 (i)(27) of the Social Security Act and Medicare designates as a capped rental item but does not have a Medicare purchase price, the Medicaid allowable for the purchase price shall be:

- (1) The lowest non-zero Indiana Medicare rental rate divided by one-and-one-half-tenths (0.15) for power wheelchairs, or
- (2) The lowest non-zero Indiana Medicare rental rate adjusted by a multiplier of ten (10) for all other capped rental ME.

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 the amount determined as follows:

- (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 published on the agency's website at [www.indianamedicaid.com](http://www.indianamedicaid.com).

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