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State/Territory Name: IN

State Plan Amendment (SPA) #: 21-0005

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



Financial Management Group

November 10, 2021

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

RE: State Plan Amendment (SPA) 21-0005

Dear Ms. Taylor:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 21-0005. This State Plan Amendment makes a change to the State Plan to revise Medicaid reimbursement for inpatient or outpatient hospital services provided by a children's hospital located in a state bordering Indiana.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a), and 1923 of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C. We have found that the proposed reimbursement methodology complies with applicable requirements and therefore have approved them with an effective date of July 1, 2021. We are enclosing the CMS-179 and the amended approved plan pages.

If you have any questions, please contact Fredrick Sebree at Fredrick.sebree@cms.hhs.gov.

Sincerely,

A solid black rectangular box redacting the signature of the sender.

For
Rory Howe
Director

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

1. TRANSMITTAL NUMBER:
21-0005

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:
July 1, 2021

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 § 431.52

7. FEDERAL BUDGET IMPACT (*thousands*):
FFY 2021 \$ 114
FFY 2022 \$ 460

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19 A page 1G.1
Attachment 4.19B Page 2.0 a.1

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION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

Attachment 4.19 A page 1G.1
Attachment 4.19B Page 2.0 a.1

10. SUBJECT OF AMENDMENT:

This State Plan amendment updates the reimbursement methodology for Medicaid reimbursement for inpatient and outpatient hospital services provided in by a children's hospital located in a state bordering Indiana. Impacted hospital shall receive a rate that is one hundred thirty percent (130%) of the Medicaid reimbursement rate for a service.

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:

[Redacted Signature]

16. RETURN TO:

Allison Taylor
Medicaid Director
Indiana Office of Medicaid Policy and Planning
402 West Washington Street, Room W374
Indianapolis, IN 46204
ATTN: Amy Owens, Government Relations Manager

13. TYPED NAME: Allison Taylor

14. TITLE: Medicaid Director

15. DATE SUBMITTED: August 26, 2021

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: 8/26/2021

18. DATE APPROVED: November 10, 2021

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: 7/1/2021

20. SIGNATURE OF REGIONAL OFFICIAL:
[Redacted Signature] For

21. TYPED NAME: Rory Howe

22. TITLE: Director

23. REMARKS:

Special payment policies shall apply to less than twenty-four (24) hour stays. For less than twenty-four (24) hour stays, hospitals will be paid under the outpatient reimbursement methodology as described in Attachment 4.19B.

Out-of-state hospitals receive the same DRG and level-of-care payments that are made for the same service to in-state facilities computed in accordance with this plan. Each out-of-state hospital that submits an Indiana Medicaid hospital cost report will receive a cost-to-charge ratio. All other out-of-state facilities will use a statewide medial cost-to-charge ratio to determine applicable cost outlier payments, computed in accordance with the outlier provisions of this plan.

Effective July 1, 2021 through June 30, 2023, reimbursement for inpatient hospital services provided by a children's hospital located in a state bordering Indiana will be reimbursed at a rate that is 130% of the Medicaid reimbursement rate. The increase does not apply to the capital per-diem, medical education per-diem (if applicable), or the outlier payment (if applicable). To be eligible, the children's hospital must be located in Illinois, Kentucky, Michigan, or Ohio. Additionally, the children's hospital must be either:

- 1) A freestanding general acute care hospital that is designated by the Medicare program as a children's hospital or furnishes inpatient and outpatient health care services to patients who are predominantly individuals less than nineteen (19) years of age; or
- 2) A facility located within a freestanding general acute care hospital that is designated by the Medicare program as a children's hospital or furnishes inpatient and outpatient health care services to patients who are predominantly individuals less than nineteen (19) years of age.

Payments for services to an out-of-state provider will be negotiated on a case-by-case basis to obtain the lowest possible rate, not to exceed 100% of the provider's reasonable and customary charges, and may differ from the aforementioned out-of-state hospital reimbursement policy only when such payments are required because the services are not available in-state or are necessary due to unique medical circumstances requiring care that is available only from a limited number of qualified providers.

To be eligible for a facility-specific per diem medical education rate, out of state providers must be located in a city listed in 405 IAC 5-5-2(a)(3), effective July 25, 1997, through 405 IAC 5-5-2(a)(4), effective July 25, 1997, or have a

Outpatient Hospital Services (cont.)**Skin Substitutes**

Covered skin substitutes provided on or after November 1, 2016, shall be reimbursed in accordance with this section.

Reimbursement for skin substitutes 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 a single reimbursement rate applicable to all covered skin substitutes. The reimbursement rate is calculated based on claims and cost report data to determine the average cost for covered skin substitutes.

Except as otherwise noted in the state plan, the state-developed fee schedule rate for these services is the same for both governmental and private providers. The agency's fee schedule rate is published on the agency's website at www.indianamedicaid.com.

Children's Hospitals

Effective July 1, 2021 through June 30, 2023, reimbursement for outpatient hospital services provided by a children's hospital located in a state bordering Indiana will be reimbursed at a rate that is 130% of the Medicaid reimbursement rate. The increase does not apply to the capital per-diem, medical education per-diem (if applicable), or the outlier payment (if applicable). To be eligible, the children's hospital must be located in Illinois, Kentucky, Michigan, or Ohio. Additionally, the children's hospital must be either:

- 1) A freestanding general acute care hospital that is designated by the Medicare program as a children's hospital or furnishes inpatient and outpatient health care services to patients who are predominantly individuals less than nineteen (19) years of age; or
- 2) A facility located within a freestanding general acute care hospital that is designated by the Medicare program as a children's hospital or furnishes inpatient and outpatient health care services to patients who are predominantly individuals less than nineteen (19) years of age.

TN# 21-005
Supersedes:
TN# 16-011

Approval Date: November 10, 2021 Effective Date: July 1, 2021