

Table of Contents

State/Territory Name: IN

State Plan Amendment (SPA) #: 15-012

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

DEC 23 2015

Mr. Joseph Moser, Director of Medicaid
Office of Medicaid Policy and Planning
Indiana Family and Social Services Administration
402 West Washington Street, Room W461
Indianapolis, IN 46204-2739

RE: Indiana State Plan Amendment (SPA) 15-0012

Dear Mr. Moser:

Effective July 1, 2015, SPA 15-0012 makes conforming changes to the state plan to extend the current 3% rate reduction for nursing facilities that is currently set to expire 6/30/15. This rate reduction will be extended for the period of July 1, 2015 thru June 30, 2017.

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 15-0012 is approved effective July 1, 2015. 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,



Kristin Fan
Director

Enclosures

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

1. TRANSMITTAL NUMBER:
15-012

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, 2015

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 447.253

7. FEDERAL BUDGET IMPACT:

a. FFY 2015 \$0
b. FFY 2016 \$0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19D, page 6
Attachment 4.19D, page 7
Attachment 4.19D, page 44Cont

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION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

Attachment 4.19D, page 6
Attachment 4.19D, page 7
Attachment 4.19D, page 44Cont

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 nursing facilities that is currently set to expire on June 30, 2015. This rate reduction will be extended for the period July 1, 2015 through June 30, 2017.

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: Joseph Moser

14. TITLE: Medicaid Director

15. DATE SUBMITTED: 8/19/2015

16. RETURN TO:

Joseph Moser
Medicaid Director
Indiana Office of Medicaid Policy and Planning
402 West Washington Street, Room W382
Indianapolis, IN 46204
ATTN: Kelly Flynn, State Plan Coordinator

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

18. DATE APPROVED:

DEC 23 2015

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

JUL 01 2015

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

Kristin Fan

22. TITLE:

Director, FALG

23. REMARKS:

(x) "Medical and nonmedical supplies and equipment" includes those items generally required to assure adequate medical care and personal hygiene of patients.

(y) "Minimum data set" or "MDS" means a core set of screening and assessment elements, including common definitions and coding categories, that form the foundation of the comprehensive assessment for all residents of long-term care facilities certified to participate in the Medicaid program. The items in the MDS standardize communication about resident problems, strengths, and conditions within facilities, between facilities, and between facilities and outside agencies. Version 2.0 (9/2000) is the most current form to the minimum data set (MDS 2.0). The Indiana system will employ the MDS 2.0 or subsequent revisions as approved by the Centers for Medicare and Medicaid Services (CMS).

(z) "Normalized allowable cost" means total allowable direct patient care costs for each facility divided by that facility's average CMI for all residents.

(aa) "Nursing home report card score" means a numerical score developed and published by the Indiana state department of health (ISDH) that quantifies each facility's key survey results.

(bb) "Office" means the office of Medicaid policy and planning.

(cc) "Ordinary patient-related costs" means costs of allowable services and supplies that are necessary in delivery of patient care by similar providers within the state.

(dd) "Patient/recipient care" means those Medicaid program services delivered to a Medicaid enrolled recipient by a certified Medicaid provider.

(ee) "Reasonable allowable costs" means the price a prudent, cost-conscious buyer would pay a willing seller for goods or services in an arm's-length transaction, not to exceed the limitations set out in this rule.

(ff) "Related party/organization" means that the provider:

- (1) is associated or affiliated with; or
- (2) has the ability to control or be controlled by;

the organization furnishing the service, facilities, or supplies, whether or not such control is actually exercised.

(gg) "Routine care" means care that does not treat or ameliorate a specific defect or specific physical or mental illness or condition.

(hh) "RUG-III resident classification system" means the resource utilization group used to classify residents. When a resident classifies into more than one (1) RUG III group, the RUG III group with the greatest CMI will be utilized to calculate the facility-average CMI for all residents and facility-average CMI for Medicaid residents.

(ii) A nursing facility with a "special care unit (SCU) for Alzheimer's disease or dementia" means a nursing facility that meets all of the following:

- (1) Has a locked, secure, segregated unit or provides a special program or special unit for residents with Alzheimer's disease, related disorders, or dementia.
- (2) The facility advertises, markets, or promotes the health facility as providing Alzheimer's care services or dementia care services, or both.
- (3) The nursing facility has a designated director for the Alzheimer's and dementia special care unit, who satisfies all of the following conditions:
 - (A) Became the director of the SCU prior to August 21, 2004, or has earned a degree from an educational institution in a health care, mental health, or social service profession, or is a licensed health facility administrator.
 - (B) Has a minimum of one (1) year work experience with dementia or Alzheimer's, or both, residents within the past five (5) years.
 - (C) Completed a minimum of twelve (12) hours of dementia specific training within three (3) months of initial employment and has continued to obtain six (6) hours annually of dementia-specific training thereafter to:
 - (i) meet the needs or preferences, or both, of cognitively impaired residents; and
 - (ii) gain understanding of the current standards of care for residents with dementia.
 - (D) Performs the following duties:
 - (i) Oversees the operations of the unit.
 - (ii) Ensures personnel assigned to the unit receive required in-service training.
 - (iii) Ensures the care provided to Alzheimer's and dementia care unit residents is consistent with in-service training, current Alzheimer's and dementia care practices, and regulatory standards.

(jj) "Tentative profit add-on payment" means the profit add-on payment calculated under this rule before considering a facility's nursing home report card score total quality score.

(kk) "Therapy component" means the portion of each facility's direct costs for therapy services, including any employee benefits prorated based on total salaries and wages, rendered to Medicaid residents that are not reimbursed by other payors, as determined by this rule.

(ll) "Total quality score" means the sum of the quality points awarded to each nursing facility for all eight (8) quality measures as determined in section 7(n)(1) through 7(n)(8) of this rule.

(mm) "Unit of service" means all patient care included in the established per diem rate required for the care of an inpatient for one (1) day (twenty-four (24) hours).

(nn) "Unsupported MDS resident assessment" means an assessment where one (1) or more data items that are required to classify a resident pursuant to the RUG-III resident classification system:

- (1) are not supported according to the MDS supporting documentation guidelines as set forth in 405 IAC 1-15; and
- (2) result in the assessment being classified into a different RUG-III category.

405 IAC 1-14.6-26 Rate reduction

Notwithstanding all other provisions of this rule, reimbursement rates shall be reduced by three percent (3%) per resident per day through June 30, 2017 for nursing facility services that have been calculated under this rule except for the following:

(1) The difference between:

(i) the nursing facility quality rate add-on, as described in subsection 7(m) of Legislative Services Agency (LSA) Document #12-279, posted as a final rule in the Indiana Register at:

<http://www.in.gov/legislative/iac/20130626-IR-405120279FRA.xml.pdf>
effective July 1, 2013

(ii) the nursing home report card score rate add-on calculated using each facility's current nursing home report card score, and the nursing home report card score rate add-on parameters contained in section 7(k) of LSA Document #10-183, posted as a final rule in the Indiana Register at;

<http://www.in.gov/legislative/iac/20101201-IR-405100183FRA.xml.pdf>
effective December 1, 2010; and

(2) The difference between:

(i) the quality assessment rate add-on calculated using the assessment rates in section 57 of LSA 12-396(E), posted as an emergency rule in the Indiana Register at:

<http://www.in.gov/legislative/iac/20120711-IR-405120396ERA.xml.pdf>
effective July 1, 2012; and

(ii) the quality assessment rate add-on calculated using the assessment rates in section 24(a) of LSA Document #10-65, posted as a final rule in the Indiana Register at :

<http://www.in.gov/legislative/iac/20101201-IR-405100065FRA.xml.pdf>
effective December 1, 2010.

TN: 15-012
Supersedes
TN: 14-004

Approval Date: DEC 23 2015

Effective Date: July 1, 2015