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State/Territory Name: IN

State Plan Amendment (SPA) #: 19-0011

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

December 16, 2019

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

RE: State Plan Amendment (SPA) 19-0011

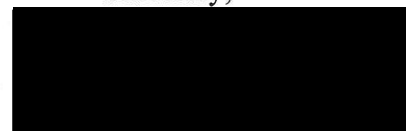
Dear Ms. Taylor:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number 19-0011. This State Plan Amendment makes changes to the Medicaid State Plan in the event of a decrease in Indiana's federal DSH allotment.

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 October, 1, 2019. 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,



Krisun Fan
Director

cc:
Fredrick Sebree
Tom Caughey

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	1. TRANSMITTAL NUMBER 19-011	2. STATE Indiana
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE October 1, 2019	

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	7. FEDERAL BUDGET IMPACT (in thousands) : a. FFY 2020 \$ 0 b. FFY 2021 \$ 0
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8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19-A Pages 6.1(a), 13(a), 13(b)	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Attachment 4.19-A Pages 6.1(a)
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SUBJECT OF AMENDMENT: This State Plan Amendment makes changes to the Medicaid State Plan in the event of a decrease in Indiana's federal DSH allotment. The State has not prepared a fiscal impact for these changes because a change in total DSH payments would be the result of the federal DSH allotment reduction, which, as of this date has not been finalized by CMS with regard to certainty, timing, or amount.

10. 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 W461 Indianapolis, IN 46204 ATTN: Amy Owens, Federal Relations Lead
13. TYPED NAME: Allison Taylor	
14. TITLE: Medicaid Director	
15. DATE SUBMITTED 9/30/2019	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED	18. DATE APPROVED DEC 16 2019
PLAN APPROVED - ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL OCT 01 2019	20. SIGNATURE OF REGIONAL OFFICIAL
21. TYPED NAME Kristin Fan	22. TITLE Director, FUG

23. REMARKS

III. PAYMENT ADJUSTMENTS

A. Inpatient Disproportionate Share Payment Adjustment

Subject to Subsection H, Disproportionate Share Hospitals shall receive, in addition to their allowable regular claims payments and any other payment adjustments to which they are entitled, a disproportionate share payment adjustment calculated in the following manner for SFY 2012 and thereafter:

In no instance will any Disproportionate Share Hospital payments exceed the hospital specific limit as defined in subsection B 1. The provisions in subsection B 1 are applicable for SFY 2012 and thereafter and also apply to DSH eligible freestanding psychiatric institutions licensed under IC 12-25. DSH payments that are retrospectively determined to exceed the hospital specific limit shall be recovered by the office. For DSH payments made on or after 7/1/2011, any DSH allotment recovered by the office may be redistributed to other DSH eligible hospitals in accordance with the payment order below, not to exceed any hospital's hospital specific limit. The amount of DSH redistribution payments is limited to the amount recouped by the office.

Any Disproportionate Share Hospital may decline all or part of the annual DSH payments by submitting documentation to the State indicating that it declines the DSH payments and the amount of DSH payments being declined.

1. Step One: Each Disproportionate Share Hospital receives a payment of \$1,000, not to exceed the hospital's hospital specific limit.
2. Step Two: Municipal Disproportionate Share Providers established and operated under Indiana Code 16-22-2 or 16-23 receive payment amounts equal to the lower of the hospital's hospital specific limit for the payment year less any Step One amount received by that hospital; or the hospital's net 2009 supplemental payment amount.
3. Step Three: DSH eligible acute care hospitals licensed under IC 16-21 located in Lake County, Indiana receive payment amounts equal to the hospital's hospital specific limit for the payment year, less any Step One amount received by that hospital.
4. Step Four: DSH eligible private acute care hospitals licensed under IC 16-21 and DSH eligible hospitals established and operated under Indiana Code 16-22-8 receive payment amounts equal to the hospital's hospital specific limit for the payment year, less any payment received by that hospital under step one. If not enough DSH funds are available to pay all eligible hospitals in this group up to their respective hospital specific limits, the amount paid to each hospital will be reduced by the same percentage for all hospitals in the group.
5. Step Five: If there is DSH remaining after the above steps, DSH eligible freestanding psychiatric institutions licensed under IC 12-25 receive payment amounts equal to the institution's hospital specific limit for the payment year, less any payment received by the institution under step one. If not enough DSH funds are available to pay all eligible institutions in this group up to their respective hospital specific limits, the amount paid to each institution will be reduced by the same percentage for all institutions in the group. Institutions owned by the State of Indian are not eligible for payments from this pool.

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Supersedes
TN: 13-006

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H. Inpatient Disproportionate Share Payment Adjustments in the Event of a Reduced Federal DSH Allotment

a. For purposes of Subsection H:

- i. The term "base disproportionate share payment program" shall mean the provisions for distributing disproportionate share payments set forth in Subsection A of Section III of Attachment 4.19-A of the Indiana Medicaid State Plan effective January 1, 2019.
- ii. The term "CMS" shall mean the Centers for Medicare and Medicaid Services.
- iii. The term "disproportionate share payment plan" shall mean the plan for distributing disproportionate share payments for the State Fiscal Year beginning July 1, 2019.
- iv. The term "federal DSH allotment" shall mean the allotment of federal disproportionate share funds calculated for the State under 42 U.S.C. 1386r-4.
- v. The term "reduced federal DSH allotment" shall mean a federal DSH allotment for the State for the Federal Fiscal Year beginning October 1, 2019, that, by operation of 42 U.S.C. 1396r-4(f)(7), is less than the federal DSH allotment for the State for the Federal Fiscal Year beginning October 1, 2018.
- vi. The term "terminating event" shall mean federal legislation, including an amendment to 42 U.S.C. 1396r-4, a regulation issued by CMS or any other federal agency, any sub-regulatory policy or directive issued by CMS or other federal agency, or a judicial ruling, that is enacted or issued on or before March 30, 2020, that: (1) cancels, or postpones to a subsequent federal fiscal year, a reduced federal DSH allotment; and (2) does not cause the state to incur a reduced federal DSH allotment.

b. Subject to paragraph c, the disproportionate share payment plan for the State Fiscal Year beginning July 1, 2019 shall be as follows:

i. The disproportionate share payment paid to an acute care hospital that qualifies as:

- (A) a municipal disproportionate share provider under Step Two of the base disproportionate share payment program; or
- (B) a disproportionate share provider under Step Four of the base disproportionate share payment program;

shall be reduced by the percentage described in subparagraph iii.

ii. The disproportionate share payment paid to an acute care hospital that qualifies under Step Three of the base disproportionate share payment program shall be reduced by a percentage equal to fifty percent (50%) of the percentage decrease between the federal DSH allotment for the Federal Fiscal Years:

- (A) beginning October 1, 2018; and
 - (B) beginning October 1, 2019,
- except that in no case may the percentage reduction for such hospital be greater than eleven and one-half percent (11.5%).

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iii. The percentage reduction in disproportionate share payments described in subparagraph i shall be applied uniformly to all hospitals to which subparagraph i applies. The percentage of the reduction in disproportionate share payments described in subparagraph i shall be the percentage determined by the office to cause the total disproportionate share payments made under subparagraphs i and ii to maximize the expenditure of, without exceeding, the reduced federal DSH allotment.

c. If a terminating event occurs, paragraph b of Subsection H shall not apply to the disproportionate share payment plan for the State Fiscal Year beginning July 1, 2019. If a terminating event occurs, disproportionate share payments for the State Fiscal Year beginning July 1, 2019 shall be governed by the base disproportionate share payment program.

d. Subsection H shall only apply to disproportionate share payments for the State Fiscal Year beginning July 1, 2019.

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