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State/Territory Name: IN

State Plan Amendment (SPA) #: 22-0015

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



Financial Management Group

December 21, 2022

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

RE: State Plan Amendment (SPA) 22-0015

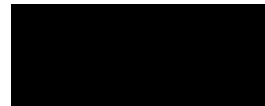
Dear Ms. Taylor:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 22-0015. This State Plan Amendment proposes to increase the underlying per diem expenses for the Medicaid cost reports utilized in the calculation of the median beginning October 1, 2022.

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, 2022. 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,



Director

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

2 2 — 0 0 1 5

2. STATE

I N3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL
SECURITY ACT

XIX



XXI

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

October 1, 2022

5. FEDERAL STATUTE/REGULATION CITATION

Section 1902(a)(13)(A) of the Social Security Act

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2023 \$ 0b. FFY 2024 \$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-D Page 83

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION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

Attachment 4.19-D Page 83

9. SUBJECT OF AMENDMENT

10. 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:

11. SIGNATURE OF STATE AGENCY OFFICIAL

12. TYPED NAME
Allison Taylor13. TITLE
Medicaid Director14. DATE SUBMITTED
10/28/2022

15. RETURN TO

Allison Taylor
Medicaid Director
Indiana Office of Medicaid Policy and Planning
402 West Washington Street, Room W374
Indianapolis, IN 46204
Attn: Madison May-Gruthusen, Federal Relations Lead**FOR CMS USE ONLY**16. DATE RECEIVED
10/28/202217. DATE APPROVED
December 21, 2022**PLAN APPROVED - ONE COPY ATTACHED**18. EFFECTIVE DATE OF APPROVED MATERIAL
10/1/2022

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL
Rory Howe21. TITLE OF APPROVING OFFICIAL
Director, FMG

22. REMARKS

Effective date in block 4 updated 12/14/2022 to reflect 10/1/2022

405 IAC 1-12-7 Request for rate review; effect of inflation; occupancy level assumptions

Sec. 7. (a) Rate setting during rebasing years shall be based on the provider's annual or historical financial report for the most recent completed year. In determining prospective allowable costs during rebasing years, each provider's costs from the most recent completed year will be adjusted for inflation by the office using the following methodology. All allowable costs of the provider, except for:

- (1) mortgage interest on facilities and equipment;
- (2) depreciation on facilities and equipment;
- (3) rent or lease costs for facilities and equipment; and
- (4) working capital interest;

shall be increased for inflation using the CMS Nursing Home without Capital Market Basket index as published by IHS. The inflation adjustment shall apply from the midpoint of the annual or historical financial report period to the midpoint of the expected rate period.

(b) For purposes of determining the average allowable cost of the median patient day as applicable during rebasing years, each provider's costs from their most recent completed, non-excluded year will be adjusted for inflation by the office using the following methodology. Providers whose most recently completed rate is an initial interim rate shall be excluded from the determination of the average allowable cost of the median patient day. Any annual financial report period that, partially or fully, overlaps the period of March 1, 2020 through December 31, 2020 shall be excluded from the determination of the average allowable cost of the median patient day. For determinations of the average allowable cost of the median patient day on and after October 1, 2022, any financial report that partially or fully precedes July 1, 2021 shall have their allowable per diem costs increased by a proration of the 10% direct care workforce add-on effective July 1, 2021 based on the days in the financial report period prior to July 1, 2021 compared to the days for the entire financial report period. All allowable costs of the provider, except for:

- (1) mortgage interest on facilities and equipment;
- (2) depreciation on facilities and equipment;
- (3) rent or lease costs for facilities and equipment; and
- (4) working capital interest;

shall be increased for inflation using the CMS Nursing Home without Capital Market Basket index as published by IHS. The inflation adjustment shall apply from the midpoint of the annual or historical financial report period to the midpoint prescribed as follows:

<u>Median Effective Date</u>	<u>Midpoint Quarter</u>
January 1, Year 1	July 1, Year 1
April 1, Year 1	October 1, Year 1
July 1, Year 1	January 1, Year 2
October 1, Year 1	April 1, Year 2

TN: 22-0015

Supersedes

TN: 20-020

Approval Date: December 21, 2022

Effective Date: October 1, 2022