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State/Territory Name: IN

State Plan Amendment (SPA) #: 23-0012

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

October 26, 2023

Cora Steinmetz, Medicaid Director
Family Social Services Administration
402 West Washington, Room W461
Indianapolis, IN 46204

RE: State Plan Amendment (SPA) 23-0012

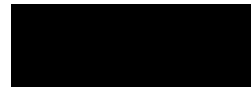
Dear Ms. Steinmetz:

We have reviewed the proposed amendment to Attachments 4.19-A and 4.19-B of your Medicaid State plan submitted under transmittal number (TN) 23-0012. This State Plan Amendment makes changes to the reimbursement for Out-of-State Children's Hospitals.

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, 2023. 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,



Rory Howe
Director

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

1. TRANSMITTAL NUMBER

2 3 — 0 0 1 2

2. STATE

I N

3. 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

July 1, 2023

5. FEDERAL STATUTE/REGULATION CITATION

42 CFR 431.52

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2023 \$ 400,000
b. FFY 2024 \$ 1,070,000

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

4.19-A Page 1G.1
4.19-B Page 2.0 a.1

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

4.19-A Page 1G.1
4.19-B Page 2.0 a.1

9. SUBJECT OF AMENDMENT

This State Plan Amendment extends the expiration date of the out-of-state children's hospital reimbursement methodology from July 1, 2023 to July 1, 2025

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

[Redacted Signature]

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

12. TYPED NAME

Allison Taylor

13. TITLE

Medicaid Director

14. DATE SUBMITTED

June 29, 2023

FOR CMS USE ONLY

16. DATE RECEIVED 6/29/2023

17. DATE APPROVED

October 26, 2023

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

7/1/2023

19. SIGNATURE OF APPROVING OFFICIAL

[Redacted Signature]

20. TYPED NAME OF APPROVING OFFICIAL

Rory Howe

21. TITLE OF APPROVING OFFICIAL

Director, FMG

22. REMARKS

The state updated the budget impact in block 6 and added the 4.19-B page in blocks 7 and 8 on 8/22/2023

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, 2023, through July 1, 2025, 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 or the medical education per-diem (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, 2023, through July 1, 2025, 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. 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# 23-0012
Supersedes:
TN#22-0005

Approval Date: October 26, 2023

Effective Date: July 1, 2023