

Insights

Indiana Medicaid Finalizes Rule Changes Affecting Medicaid Home Health Providers

May 9, 2018

By: Thomas N. Hutchinson and Brandon W. Shirley

The Office of the Secretary of Family and Social Services finalized LSA Document #17-342, which is a rule amendment that impacts Indiana Medicaid home health service providers ("Final Rule").^[1] In general, the Final Rule seeks to align Indiana home health service policies with those of 42 C.F.R. 440.70. The Final Rule is effective April 26, 2018. Affected providers should make note of the following important changes:

1. Amends 405 IAC 1-4.2-2 to clarify policy language regarding Indiana Medicaid beneficiaries' place of residence and confirms that home health services cannot be limited to services furnished to beneficiaries who are homebound.

Specifically, the Final Rule narrows the term "place of residence" for home health services by excluding a hospital, nursing facility, or intermediate care facility for individuals with intellectual disabilities. However, the Final Rule does not prohibit a Medicaid beneficiary from receiving home health services in any setting in which normal life activities take place, provided that such locations are not hospitals, nursing facilities, intermediate care facilities for individuals with intellectual disabilities, or settings in which payment is or could be made under Medicaid for inpatient services that include room and board.

2. Amends 405 IAC 5-16-2 to require documentation of the billing practitioner's face-to-face encounter with the Medicaid beneficiary, in accordance with 42 C.F.R. 440.70(f), for purposes of supporting Medicaid reimbursement for the service.

3. Amends 405 IAC 5-16-3 to add the requirement for home health therapy services to be ordered in writing in accordance with 405 IAC 5-22-6(b)(1). Importantly, therapy services ordered in writing do not require prior authorization, so long as the therapy services do not exceed thirty (30) calendar days after discharge from the hospital.

4. Amends 405 IAC 5-16-3.1 to clarify therapy services must be ordered or prescribed in writing by a provider in accordance with 405 IAC 5-22-6(b)(1), and to add that home health services are reimbursable by Medicaid only if the treating physician certifying the need for home health services documents that a face-to-face encounter with the individual occurred. This change is consistent with similar amendments of 405 IAC 5-16-2, as described in #2 above.

Importantly, affected home health service providers should update patient workflows and billing practices to ensure these changes are appropriately integrated. At risk is non-compliance with Indiana Medicaid participation requirements, including Medicaid reimbursement for services.

For questions on home health services compliance, or Indiana Medicaid reimbursement requirements generally, please contact Thomas N. Hutchinson at thutchinson@kdlegal.com, Andrew C. Walker at awalker@kdlegal.com, Brandon W. Shirley at bshirley@kdlegal.com or your regular Krieg DeVault attorney.

[1] See LSA #17-342; available at <http://www.in.gov/legislative/iac/20180425-IR-405170342FRA.xml.pdf>