

Insights

Uncertainty of Indiana Medicaid Home Health Reimbursement

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As many of you may know, the statewide home health reimbursement rates for Indiana Medicaid, are calculated based on the most recently completed Medicaid cost reports required from all home health providers billing Indiana Medicaid for services. (IHCP Bulletin 201625, May 17, 2016). As a result of the State's review of the submitted cost reports, on May 17, 2016, Indiana Medicaid notified providers that it would be cutting home health rates for Fiscal Year ("FY") 2017. The new rates for FY 2017 were speculated to be lower than the rates in effective for FY 2016, due to the 3% cut that was implemented in January 2014, which continues in effect and is compounded with additional cuts.

Due to significant opposition from stakeholders, and upon further review, the Office of Secretary of Family and Social Services ("FSSA") ultimately decided to rescind any previously published cuts. Indeed, on June 29, 2016, FSSA published a notice of proposed changes to the reimbursement methodology for Medicaid services provided by enrolled home health agencies. (LSA 16-266) The notice proposes to hold the rates for home health services that were effective for the annual period beginning July 1, 2015 unchanged through June 30, 2017. The notice states that such change is necessary to ensure continuity of member access to home health services. Therefore, the rates for home health services will continue, unchanged, as follows (BT 201535, May 26, 2015):

Cost	Rate for FY 2016 and FY 2017
Overhead	\$29.62
Registered Nurse (RN)	\$42.04
Licensed Practical Nurse (LPN)	\$26.99
Home Health Aide	\$18.31
Physical Therapist	\$16.93
Occupational Therapist	\$16.67
Speech Pathologist	\$17.93

For information on the recent publications related to home health rates, please contact Meghan McNab at mmcnab@kdlegal.com.