

IHCP *bulletin*

INDIANA HEALTH COVERAGE PROGRAMS BT201747 JULY 6, 2017

Reduction in inpatient and outpatient hospital services reimbursement extended

As previously published in *Indiana Health Coverage Programs (IHCP) Bulletin* [BT201530](#), the IHCP implemented a 3% reduction in reimbursement for inpatient and outpatient hospital services effective January 1, 2014, through June 30, 2017. **This reimbursement reduction will be extended through June 30, 2019.**

For "from" dates of service of July 1, 2017, through June 30, 2019, reimbursement for inpatient and inpatient crossover claims will be reduced by 3%. Inpatient hospital claims will process through the diagnosis-related group (DRG) grouper. DRG payments, capital payments, medical education payments (if applicable), and outlier payments (if applicable) will be calculated as usual. The total calculated payment amount will be reduced before subtracting any applicable third-party liability (TPL) payments.



The allowed amount for each detail line of outpatient and outpatient crossover claims will be calculated using the current reimbursement methodology. The allowed amount for each line item on the outpatient claim will be reduced at the detail level. TPL will be subtracted from the total allowed amount of the claim.

As before, these reductions are not applicable for state-operated psychiatric hospitals. Disproportionate share hospital (DSH) payments and hospital upper payment limit (UPL) payments are not subject to the reimbursement reduction. For hospitals participating in the Hospital Assessment Fee (HAF), the 3% inpatient and outpatient hospital reimbursement reductions will not apply while the HAF is in effect, except for the reduction for outpatient laboratory services.

Notice of a public hearing regarding the proposed extension was published in the [Indiana Register](#) on April 19, 2017.

QUESTIONS?

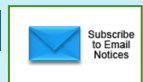
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