

# IHCP *bulletin*

INDIANA HEALTH COVERAGE PROGRAMS    BT201748    JULY 11, 2017

## **IHCP revises Hospital Assessment Fee adjustment factors for outpatient and inpatient rates**

Effective August 11, 2017, the Indiana Health Coverage Programs (IHCP) is revising the Hospital Assessment Fee (HAF) adjustment factors used for outpatient reimbursement and inpatient diagnosis-related group (DRG) reimbursement to eligible hospitals. These revised HAF factors apply within the fee-for-service (FFS) and managed care delivery systems, including reimbursement under the Hoosier Healthwise, Hoosier Care Connect, and Healthy Indiana Plan (HIP) programs.

The change in outpatient and inpatient reimbursement will ensure that aggregate payments to eligible providers reasonably approximate the Medicare upper-payment limits without exceeding those limits. Some managed care entities (MCEs) may have already implemented the revised adjustment factors, which are as follows:

- The revised adjustment factor for outpatient rates, excluding laboratory services, is 2.7 (previously 2.0).
- The revised adjustment factor for the inpatient DRG base rate is 2.7 (previously 2.5).

The revised adjustment factors will be applied retroactively to claims with dates of service (DOS) on or after **July 1, 2017**. Reimbursement for outpatient laboratory services, defined as the procedure codes listed on the Medicare Clinical Laboratory Fee Schedule, are not subject to the HAF increase.



Previously paid claims with DOS on or after July 1, 2017, will be mass adjusted as needed to apply the revised HAF adjustment factor noted in this bulletin. Mass-adjusted FFS claims will appear on Remittance Advices (RAs) beginning on or after August 14, 2017, and will be identified with internal control numbers (ICNs)/Claim IDs that begin with 52 (mass replacement non-check related). For claims that were underpaid, the net difference will be paid and reflected on the RA. The individual MCEs will establish mass adjustment schedules for managed care claims; providers can contact the respective MCE for more information.

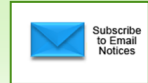
For provider reference, the current HAF adjustment factor for outpatient and inpatient reimbursement can be found in *IHCP Bulletins* [BT201730](#), [BT201725](#), and [BT201722](#). Adjustment factors may be revised in the future to remain within the hospital upper-payment limit. Providers will be notified of any change to the adjustment factors through an IHCP bulletin.

**QUESTIONS?**

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