

IHCP *bulletin*

INDIANA HEALTH COVERAGE PROGRAMS BT202277 SEPTEMBER 20, 2022

IHCP announces changes to future HIP reimbursement rates

Since its inception in 2008, the Healthy Indiana Plan (HIP) has provided health coverage to Hoosiers, paying providers at rates equal to Medicare or 130% of Medicaid. HIP has been instrumental in the state's COVID-19 response and was recently granted a historic 10-year approval from the Centers for Medicare & Medicaid Services (CMS) to continue operations and serving Hoosiers.

In November 2020, CMS [released a final rule](#) that would have immediately required the Indiana Health Coverage Programs (IHCP) HIP managed care entities (MCEs) to stop paying professional and ancillary providers for services through HIP at the Medicare or 130% of Medicaid rates. After a year-long negotiation with CMS, CMS and the Family and Social Services Administration (FSSA) have reached an agreement with the [COVID-19 Public Health Emergency \(PHE\) demonstration amendment](#) that preserves HIP Medicare rates for a period of time and allows Indiana a runway to transition to a new fee schedule that will meet federal regulations.

Indiana is approved to continue reimbursing HIP services at Medicare rates through the end of 2023. By Jan. 1, 2024, however, Indiana must transition to a reimbursement model with consistent rates across all its programs. IHCP plans to equalize rates among our IHCP programs: HIP, Hoosier Care Connect, Hoosier Healthwise and fee-for-service.

During the public comment period, IHCP presented an example methodology whereby aggregate provider payment levels will remain the same, with physician and ancillary rates decreasing in HIP and increasing in other programs. IHCP will continue to evaluate this and other equalization methodologies in the coming weeks and months.

IHCP will complete an outreach campaign related to the agreement with CMS and upcoming methodology changes. Please direct questions regarding this bulletin to spacomment@fssa.in.gov.



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