PROVIDER BULLETIN

BT200923 JULY 9, 2009

To: IHCP-enrolled Home Health Providers

Subject: Home Health Rates for State Fiscal Year 2010

Overview

This bulletin notifies all home health providers of new Indiana Health Coverage Programs (IHCP) reimbursement rates for home health services effective July 1, 2009.

Reimbursement Rates

Pursuant to Indiana Administrative Code (IAC) *405 IAC 1-4.2-4*, the standard statewide reimbursement rates for home health services were calculated and were effective July 1, 2009. The state fiscal year (SFY) 2009 rates were in effect through June 30, 2009. The new rates were calculated based on the most recently completed Medicaid cost reports that were filed by all home health providers that bill the IHCP for home health services.

To determine prospective allowable costs, each provider's costs from the most recently completed Medicaid cost report were adjusted for inflation, using the Centers for Medicare & Medicaid Services (CMS) Home Health Agency Market Basket. The inflation adjustment was applied from the midpoint of the annual cost report period to the midpoint of the SFY 2010 rate period.

Computation of the Total Reimbursement Rate

Pursuant to *405 IAC 1-4.2*, each provider's hourly staffing rate for each discipline and overhead rate is arrayed from high to low. Each provider's historical costs in the arrays are inflated from the midpoint of the cost report period to the midpoint of the expected rate period, using the CMS Home Health Agency Market Basket inflation index. From this array, a median rate for each staffing discipline and overhead is calculated. For an even number of rates, the median is calculated by dividing the middle two rates by two. Per *405 IAC 1-4.2*, the statewide rates for Medicaid home health agencies are calculated as 95 percent of the median rate. The statewide Medicaid home health agency rates were effective July 1 and remain in effect for the entire state fiscal year.

Overhead Cost Rate

The overhead cost rate per visit for each home health provider is based on total patient-related costs, less the direct staffing and employee benefit costs, less the semivariable costs, divided by the total number of home health agency visits during the Medicaid reporting period for that provider. The result of this calculation is the overhead cost per visit for each home health provider that was included in the statewide overhead array. The semivariable cost was removed from the overhead cost rate calculated and is included in the staffing cost rates calculated in Table 1 below, based on hours worked.

Staffing Cost Rate

The staffing cost rate per hour for each discipline in the home health agency is based on the total patient-related direct staffing and employee benefit costs, plus the semivariable costs, divided by the total number of home health agency hours worked. The result of this calculation is the staffing cost rate per hour, per discipline for each home health agency.

State Fiscal Year 2010 Rates

Table 1 specifies the home health rates for state fiscal year 2010.

Table 1 – Home Health Rates for State Fiscal Year 2010

Service	Rate
Overhead	$33.04 per provider, per recipient, per day
Registered Nurse (RN) – 99600 TD	$39.19 per hour
Licensed Practical Nurse (LPN) – 99600 TE	$26.42 per hour
Home Health Aide – 99600	$19.10 per hour
Physical Therapy – G0151	$14.59 per 15-minute increment
Occupational Therapy – G0152	$14.79 per 15-minute increment
Speech Therapy – G0153	$15.41 per 15-minute increment

Billing and Repayment

Use the new rates listed in Table 1 for services billed on or after July 1, 2009. If a provider has billed and been paid at the old rate for these dates of service, the provider can wait for EDS to automatically reprocess the claims through a mass adjustment or complete adjustment forms prior to the automatic reprocessing. Providers will be notified when the mass adjustment is scheduled.

The mass adjustment will pay the claims at the new rates. Mass adjusted claims are identified on the Remittance Advice (RA) with region number 56 as the first two digits of the internal control number (ICN). If a claim submitted for dates of service on or after July 1, 2009, was underpaid, the net difference is paid and reflected on the RA. If a claim submitted for dates of service on or after July 1, 2009, was overpaid, the net difference appears as an accounts receivable. The accounts receivable will be recouped at 100 percent from future claims paid to the respective provider number.

Billing procedures remain the same; however, to ensure appropriate reimbursement, traditional Medicaid home health claims must be submitted using the UB-04 claim form. The UB-04 claim form includes fields for reporting overhead amounts and Healthcare Common Procedure Coding System (HCPCS) codes applicable to the service provided. For convenience, the HCPCS codes related to each home health discipline are outlined in Table 1. Additionally, if services are provided under both the IHCP waiver and traditional Medicaid programs, the appropriate provider number should be indicated on claim forms for waiver services. Home health services should be billed using the appropriate National Provider Identifier (NPI).

Contact Information

If you have questions about the content of this bulletin, contact EDS Customer Assistance at (317) 655-3240 in the Indianapolis local area, or toll free at 1-800-577-1278.