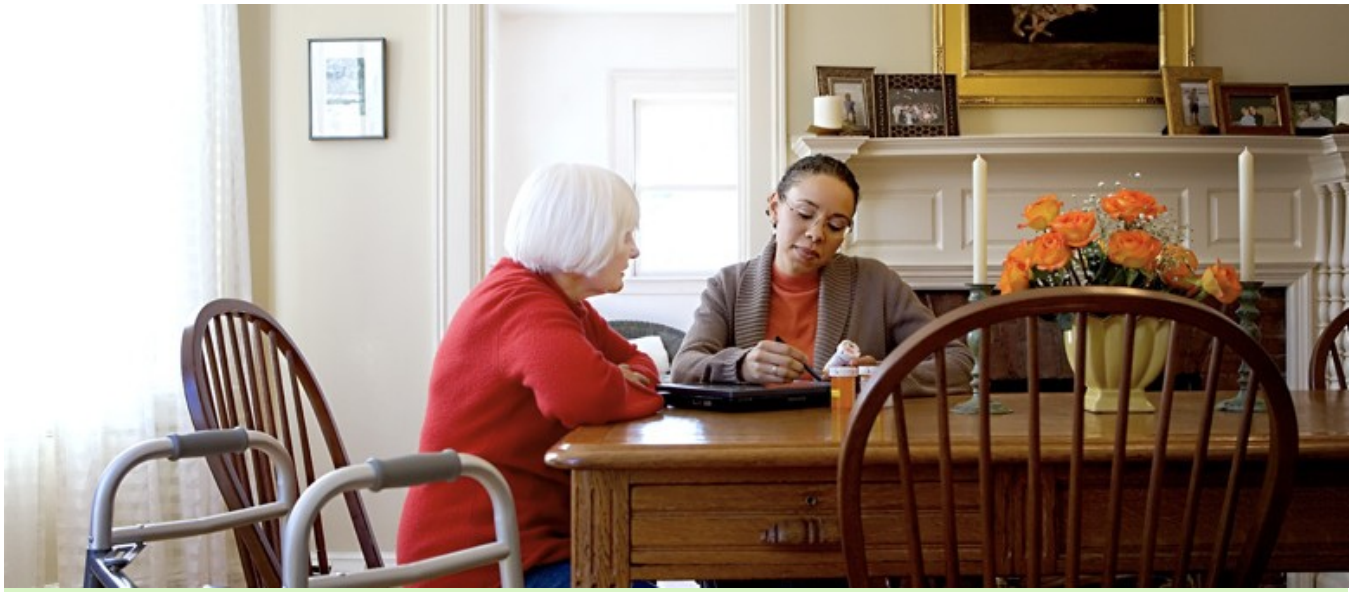
IHCP *bulletin*

INDIANA HEALTH COVERAGE PROGRAMS BT201145 SEPTEMBER 1, 2011



Home Health Rates for State Fiscal Year 2012

This bulletin notifies all home health providers of new Indiana Health Coverage Programs (IHCP) reimbursement rates for home health services effective July 1, 2011, through June 30, 2012.

Reimbursement rates

Pursuant to *Indiana Administrative Code (IAC) 405 IAC 1-4.2-4*, the standard statewide reimbursement rates for home health services for state fiscal year (SFY) 2012 were calculated and are effective July 1, 2011, through June 30, 2012. The new rates were calculated based on the most recently completed Medicaid cost reports that were required from all home health providers billing the IHCP for services.

During SFY 2010, the Office of Medicaid Policy and Planning (OMPP) promulgated a rule (LSA Document # 10-166) to avoid an anticipated budgetary shortfall and to remain within the available Medicaid appropriation. The result was a 5% reduction of the Medicaid home health rates effective April 1, 2010, through June 30, 2011. As announced in BT201125, published May 24, 2011, the 5% reduction was extended for dates of service through June 30, 2013. The rates included in the table in this bulletin reflect the continued 5% reduction.

Computation of the total reimbursement rate

Pursuant to *405 IAC 1-4.2-4* and *1-4.2-5*, each provider's hourly staffing rate for each discipline and overhead rate is arrayed 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 Centers for Medicare & Medicaid Services (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*,

Continue

the statewide rates for Medicaid home health agencies are calculated as 95% of the median rate. The statewide Medicaid home health agency rates are effective July 1, 2011, 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 included in the staffing cost rates calculated in the following table, 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 cost, 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, per visit for each home health provider that was included in the statewide staffing rate array.

State Fiscal Year 2012 rates

The following table specifies the home health rates for SFY 2012.

Home health rates for SFY 2012

Discipline	Billing Unit	SFY 2012 95% of Median	Less 5%	SFY 2012 Rate
Overhead	One unit per provider per recipient per day	$33.77	($1.69)	$32.08
Registered Nurse (RN) – 99600 TD	Hourly	$41.87	($2.09)	$39.78
Licensed Practical Nurse (LPN) – 99600 TE	Hourly	$28.22	($1.41)	$26.81
Home Health Aide – 99600	Hourly	$20.93	($1.05)	$19.88
Physical Therapist – G0151	15-minute increments	$16.74	($0.84)	$15.90
Occupational Therapist – G0152	15-minute increments	$16.18	($0.81)	$15.37
Speech Pathologist – G0153	15-minute increments	$16.36	($0.82)	$15.54

Continue

Billing and repayment

Use the new rates listed in the previous table for dates of service on or after July 1, 2011, through June 30, 2012. If a provider has billed and been paid at the old rate for these dates of service, the provider may choose to wait for HP to automatically reprocess the claims through a mass adjustment. Providers will be notified of the mass adjustment. Providers are not prohibited from submitting claim adjustments before the automatic reprocessing occurs.

The mass adjustment will pay claims at the new rates. Mass-adjusted claims are identified on the Remittance Advice (RA) by internal control numbers (ICNs) that begin with 56. If a claim submitted for dates of service on or after July 1, 2011, 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, 2011, was overpaid, the net difference appears as an accounts receivable. The accounts receivable will be recouped at 100% from future claims paid to the respective provider number.

Billing procedures remain the same. As a reminder, to ensure appropriate reimbursement, submit Traditional Medicaid home health claims online via Web interChange, or using the UB-04 paper claim form. Both Web interChange and the UB-04 claim form include 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 the previous table. Additionally, if you are providing services under both the Home and Community-Based Services waiver and Traditional Medicaid programs, please indicate the Legacy Provider Identifier on waiver claims and do not report a National Provider Identifier (NPI). Home health claims for Traditional Medicaid members are billed with the NPI.

QUESTIONS?

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

COPIES OF THIS PUBLICATION

If you need additional copies of this publication, please download them from indianamedicaid.com. To receive e-mail notifications of future IHCP publications, subscribe to the IHCP E-mail Notifications.