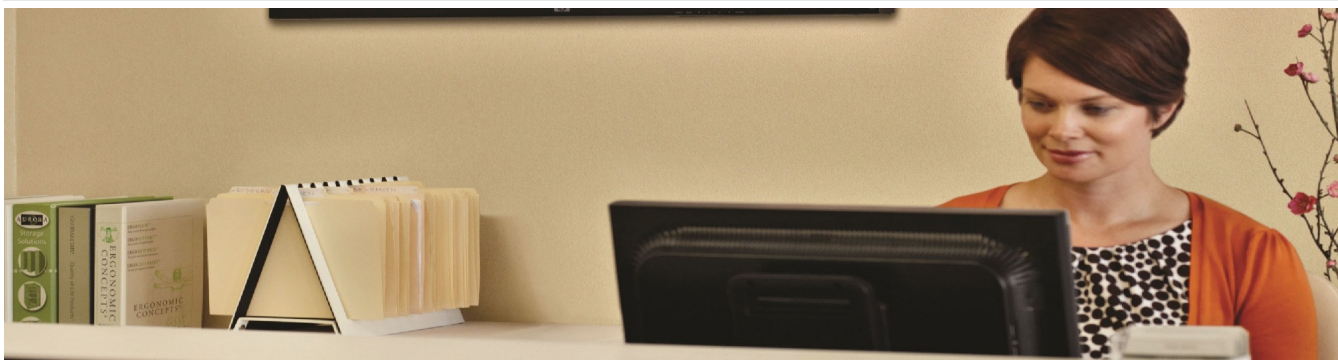


IHCP *bulletin*

INDIANA HEALTH COVERAGE PROGRAMS BT201331 JUNE 28, 2013



Update: Reduction in inpatient and outpatient hospital services reimbursement extended

As previously published in Indiana Health Coverage Programs (IHCP) bulletins [BT200943](#) and [BT201122](#), the IHCP implemented a 5% reduction in reimbursement for inpatient and outpatient hospital services effective January 1, 2010, through June 30, 2013. **This reimbursement reduction will be extended to dates of service through December 31, 2013. Further, effective for dates of service from January 1, 2014, through June 30, 2015, the IHCP will implement a 3% reduction in reimbursement for inpatient and outpatient hospital services.**

For “from” dates of service of January 1, 2010, through December 1, 2013, reimbursement for inpatient and inpatient crossover claims will be reduced by 5%. For “from” dates of service of January 1, 2014, through June 30, 2015, reimbursement for inpatient and inpatient crossover claims will be reduced by 3%. As addressed in bulletin [BT200943](#), 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.

QUESTIONS?

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