

IHCP *bulletin*

INDIANA HEALTH COVERAGE PROGRAMS BT201337 JULY 9, 2013



Home health rates for state fiscal year 2014 are effective July 1, 2013

Pursuant to *Indiana Administrative Code (IAC)* at 405 IAC 1-4.2-4, the standard statewide reimbursement rates for home health services for state fiscal year (SFY) 2014 are effective July 1, 2013, through June 30, 2014. The new rates are calculated based on the most recently completed Medicaid cost reports required from all home health providers billing the Indiana Health Coverage Programs (IHCP) for services.

Reduction in rates

As published in *IHCP Bulletin* [BT201334](#), dated June 28, 2013, the existing 5% reduction in reimbursement for home health services with “from” dates of service April 10, 2010, through June 30, 2013, were extended through December 31, 2013. Further, the IHCP will implement a 3% reduction in reimbursement for “from” dates of service January 1, 2014, through June 30, 2015.

Accordingly, and in compliance with *Legislative Services Agency (LSA) Document #11-381(E)*, the SFY 2014 statewide rates for Medicaid home health agencies will be reduced by 5% for “from” dates of service July 1, 2013, through December 31, 2013. SFY 2014 rates will be reduced by 3% for “from” dates of service January 1, 2014, through June 30, 2014.

Computation of the reimbursement rates

Pursuant to 405 IAC 1-4.2-4, all providers' hourly staffing rates for each discipline and overhead cost rates are arrayed high to low. The providers' historical costs in each array are inflated from the midpoint of the cost report period to the midpoint of the projected rate period, using the Centers for Medicare & Medicaid Services (CMS) Home Health Agency Market Basket inflation index. From the statewide array, a median rate for each staffing discipline and overhead costs is calculated. The statewide Medicaid rates for home health agencies are set at 95% of the median rate. Rate reductions are then applied to the statewide Medicaid home health rates.

Overhead cost rate

The overhead cost-per-visit rate for each home health provider is based on total patient-related costs, less the direct staffing and employee benefit costs, less the semi-variable costs, divided by the total number of home health agency visits during the Medicaid reporting period for that provider. The overhead cost-per-visit for each home health provider is included in the statewide array of overhead costs. The semi-variable costs removed from the overhead cost rate calculation are included in each staffing rate calculation, based on hours worked within each discipline.

Staffing cost rate

The staffing cost-per-hour rate for each discipline in the home health agency is based on the total patient-related direct staffing and employee benefit costs, plus the semi-variable costs, divided by the total number of home health agency hours worked, as associated with each discipline. The cost-per-hour rate for each home health provider is included in the statewide array of staffing costs for each discipline.

The following tables specify the home health rates for SFY 2014.

Table 1 – Home health rates effective July 1, 2013, through December 31, 2013

Cost/procedure code	Billing unit	SFY 2014 95% of median	Less 5%	Rate
Overhead	One unit per provider per recipient per day	\$34.21	(\$1.71)	\$32.50
Registered Nurse (RN) – 99600 TD	Hourly	\$43.24	(\$2.16)	\$41.08
Licensed Practical Nurse (LPN) – 99600 TE	Hourly	\$28.36	(\$1.42)	\$26.94
Home Health Aide – 99600	Hourly	\$20.28	(\$1.01)	\$19.27
Physical Therapist – G0151	15-minute increments	\$17.17	(\$0.86)	\$16.31
Occupational Therapist – G0152	15-minute increments	\$16.60	(\$0.83)	\$15.77
Speech Pathologist – G0153	15-minute increments	\$17.45	(\$0.87)	\$16.58

Table 2 – Home health rates effective January 1, 2014, through June 30, 2014

Cost/procedure code	Billing unit	SFY 2014 95% of median	Less 3%	Rate
Overhead	One unit per provider per recipient per day	\$34.21	(\$1.03)	\$33.18
Registered Nurse (RN) – 99600 TD	Hourly	\$43.24	(\$1.29)	\$41.95
Licensed Practical Nurse (LPN) – 99600 TE	Hourly	\$28.36	(\$0.85)	\$27.51
Home Health Aide – 99600	Hourly	\$20.28	(\$0.61)	\$19.67
Physical Therapist – G0151	15-minute increments	\$17.17	(\$0.52)	\$16.65
Occupational Therapist – G0152	15-minute increments	\$16.60	(\$0.49)	\$16.11
Speech Pathologist – G0153	15-minute increments	\$17.45	(\$0.52)	\$16.93

Billing and Repayment

The rates listed in the previous tables are effective for dates of service on or after July 1, 2013, through June 30, 2014. Claims submitted and paid at previous rates for these dates of service will be automatically reprocessed through a mass adjustment. Providers will be notified when the mass adjustment will take place. Providers may choose to complete claims 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, 2013, 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, 2013, 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, Traditional Medicaid home health claims should be submitted 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 procedure codes applicable to the service provided. For convenience, the procedure codes related to each home health discipline are included in the previous rate tables. Home and Community-Based Services (HCBS) Waiver home health claims should be submitted online via Web interChange or using the *CMS-1500* paper claim form. If you are providing services under both the HCBS waiver and Traditional Medicaid programs, remember to indicate the Legacy Provider Identifier (LPI) on waiver claims and the National Provider Identifier (NPI) on Traditional Medicaid claims.

QUESTIONS?

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