

# IHCP *bulletin*

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## **NSGO Nursing Facility Upper Payment Limit distribution methodology revised**

The Centers for Medicare & Medicaid Services (CMS) recently approved *Indiana Medicaid State Plan Amendment 12-009*, which changes the Upper Payment Limit (UPL) distribution methodology for Non-State Government Owned (NSGO) nursing facilities from the current format (proportionate-share pool) to the new format (facility-specific UPL payments). This amendment is effective October 1, 2012, which means it will retroactively affect the 2<sup>nd</sup>, 3<sup>rd</sup>, and 4<sup>th</sup> quarter state fiscal year (SFY) 2013 UPL payments already received by the NSGO facilities.

The resulting over- or underpayments will be addressed with the final settlement payment scheduled for November 2013. As in prior cases, if overpayments are due to the State, the provider will be required to refund the full amount of the overpayment by check to the State. In turn, the State will refund the intergovernmental transfer (IGT) amount of the overpayment to the provider, separate from any SFY 2014 payment. Any underpayments due to the provider will also be handled as a separate payment transaction at the time of the final settlement. Facility-specific information regarding the final settlement of the SFY 2013 UPL will be provided in a notice of program reimbursement (NPR) expected to be released in October 2013.

Please feel free to contact Derris Harrison ([derris.harrison@fssa.in.gov](mailto:derris.harrison@fssa.in.gov)) or Jennifer Jenvey ([jennifer.jenvey@fssa.in.gov](mailto:jennifer.jenvey@fssa.in.gov)) with any questions.

### **QUESTIONS?**

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