

IHCP *bulletin*

INDIANA HEALTH COVERAGE PROGRAMS

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Home health rates for state fiscal year 2015 are effective July 1, 2014

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) 2015 are effective July 1, 2014, through June 30, 2015. 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.

As published in *IHCP Bulletin* [BT201337](#), dated July 9, 2013, the 3% reduction in reimbursement for home health services implemented in January 2014 will be extended through June 30, 2015. The SFY 2015 rates for Medicaid home health agencies will be reduced by 3% for "from" dates of service (DOS) of July 1, 2014, through June 30, 2015.

Computation of the reimbursement rates

Pursuant to *405 IAC 1-4.2-4*, all providers' hourly staffing rates for each discipline and overhead rate 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 are calculated. The statewide Medicaid rates for home health agencies are set at 95% of the median rate, and the rate reduction is applied accordingly.

Overhead cost rate

The overhead cost 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 overhead cost per visit for each home health provider is included in the statewide array of overhead costs. The semivariable costs removed from the overhead cost rate calculation are included in each staffing rate calculation, based on hours worked within each discipline.

Staffing cost rates

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 semivariable 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 each discipline. The home health rates for SFY 2015 are specified in *Table 1*.

*Table 1 – Home health rates for SFY 2015
effective for “from” DOS of July 1, 2014, through June 30, 2015*

Cost/procedure code	Billing unit	SFY 2015 95% of median	Less 3%	Rate
Overhead	One unit per provider per recipient per day	\$33.14	(\$0.99)	\$32.15
Registered Nurse (RN) – 99600 TD	Hourly	\$43.23	(\$1.30)	\$41.93
Licensed Practical Nurse (LPN) – 99600 TE	Hourly	\$28.62	(\$0.86)	\$27.76
Home Health Aide – 99600	Hourly	\$19.69	(\$0.59)	\$19.10
Physical Therapist – G0151	15-minute increments	\$18.77	(\$0.56)	\$18.21
Occupational Therapist – G0152	15-minute increments	\$17.30	(\$0.52)	\$16.78
Speech Pathologist – G0153	15-minute increments	\$17.49	(\$0.52)	\$16.97

Billing guidance

Billing procedures are unchanged and can be found in [Chapter 8 – Billing Instructions](#) of the *IHCP Provider Manual*. 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 *Table 1*. 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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