

IHCP *bulletin*

INDIANA HEALTH COVERAGE PROGRAMS BT201622 APRIL 26, 2016

IHCP extends Hospital Assessment Fee

The Hospital Assessment Fee (HAF) reimbursement increases and collection of the assessment fees have been extended through June 30, 2017. The HAF resumption will continue the collection of assessment fees from eligible hospitals, as explained in *Indiana Health Coverage Programs (IHCP) Bulletin* [BT201412](#). The fee is used, in part, to increase reimbursement to eligible hospitals for services provided in fee-for-service and managed care programs, and as the State's share of disproportionate share hospital (DSH) payments.

Reimbursement increases and other payment changes

The following reimbursement changes apply to eligible hospitals only. The increases in inpatient and outpatient reimbursement result in aggregate payments that reasonably approximate the Medicare upper-payment limits without exceeding those limits. As announced in *IHCP* [BT201443](#), the increases in reimbursement are based on the following adjustment factors that are applied to the inpatient diagnosis-related group (DRG) base rate, inpatient level-of-care (LOC) per-diem rates, and outpatient rates:

- The adjustment factor for the inpatient DRG base rate is 2.1.
- The adjustment factor for the inpatient rehabilitation LOC rate is 2.6.
- The adjustment factor for the inpatient psychiatric LOC rate is 2.2.
- The adjustment factor for the inpatient burn LOC rate is 1.0.
- The adjustment factor for the outpatient rates, excluding laboratory services, is 2.7.



For inpatient claims, the adjustment factors apply to claims with "from" dates of service on or after August 1, 2014. For outpatient claims, the adjustment factors apply to claim detail lines with dates of service on or after August 1, 2014. Reimbursement for outpatient laboratory services, defined as the procedure codes listed on the Medicare Clinical Laboratory Fee Schedule, are not subject to the HAF increase.

For hospitals participating in the HAF, the 3% inpatient and outpatient hospital reimbursement reductions effective for dates of service January 1, 2014, through June 30, 2017 (see *IHCP* [BT201530](#)), will not apply while the HAF is in effect, except for the reduction in outpatient laboratory services. The HAF reimbursement increases do not apply to claims for members of the 590 Program. The adjustment factors previously listed may be revised in the future to remain within the hospital upper-payment limit. Providers will be notified of any changes to the adjustment factors through an IHCP Bulletin.

For more information

For further details on the HAF, see [BT201412](#).

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