IHCP bulletin

INDIANA HEALTH COVERAGE PROGRAMS

BT201722 MARCH 23, 2017

IHCP revises Hospital Assessment Fee adjustment factor for outpatient rates

Effective April 23, 2017, the Indiana Health Coverage Programs (IHCP) is revising the Hospital Assessment Fee (HAF) adjustment factor used in fee-for-service outpatient reimbursement to eligible hospitals. The change in

outpatient reimbursement ensures that aggregate payments to eligible providers reasonably approximate the Medicare upper-payment limits without exceeding those limits:

- The current adjustment factor for outpatient rates, excluding laboratory services, is 2.7.
- The revised adjustment factor for outpatient rates, excluding laboratory services, is 2.0.

The new adjustment factor will be applied retroactively to outpatient rates for dates of service (DOS) on or after **April 1, 2017**.



The adjustment factor will apply to claim detail lines with DOS on or after April 1, 2017. 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.

Claims with DOS of April 1, 2017, through April 23, 2017, will be mass adjusted to apply the revised HAF adjustment factor. Mass-adjusted claims will appear on Remittance Advices (RAs) beginning on or after May 2, 2017, and will be identified with internal control numbers (ICNs)/Claim IDs that begin with 52 (mass replacements non-check related). If a claim 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.

For all other claim types, the HAF adjustment factors found in *IHCP Bulletin* <u>BT201622</u> remain in effect. Adjustment factors 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.

QUESTIONS?

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