

IHCP *bulletin*

INDIANA HEALTH COVERAGE PROGRAMS BT201740 JUNE 20, 2017

Home health rates for state fiscal year 2018 are effective July 1, 2017

Pursuant to *Indiana Administrative Code 405 IAC 1-4.2-4*, the standard statewide reimbursement rates for home health services for state fiscal year (SFY) 2018 are effective July 1, 2017, through June 30, 2018. Rates are calculated using recently completed Medicaid cost reports required from all home health providers billing the Indiana Health Coverage Programs (IHCP) for services. Rates are based on these calculations except in instances where rates would be reduced using the calculation. In these instances prior-year rates will be maintained in compliance with *Indiana Code IC 12 15 34 14.5*. Public notice of the home health rate setting process was published in the [Indiana Register](#) on May 31, 2017.

Removal of 3% rate reduction

Pursuant to *Section 79. IC 12-15-34-14.5*, the current 3% reduction in reimbursement for home health services initially implemented in January 2014 will be removed effective for dates of service (DOS) on or after July 1, 2017.

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 for overhead costs is calculated. The statewide Medicaid rates for home health agencies are set at 95% of the median rate or at the prior year rate, whichever is greater.

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.

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 2018 are specified in Table 1.

Table 1 – Home health rates for SFY 2018 effective for “from” DOS of July 1, 2017, through June 30, 2018

Procedure code	Home health service	Billing unit	Medicaid rate
	Overhead	One unit per provider per recipient per day	\$32.13
99600 TD	Registered nurse (RN)	Hourly	\$43.34
99600 TE	Licensed practical nurse (LPN)	Hourly	\$27.82
99600	Home health aide	Hourly	\$18.88
G0151	Physical therapist	15-minute increments	\$18.63
G0152	Occupational therapist	15-minute increments	\$17.21
G0153	Speech pathologist	15-minute increments	\$18.78

Billing

Billing procedures remain unchanged and can be found in the [Home Health Services](#) provider reference module at indianamedicaid.com. As a reminder, to ensure appropriate reimbursement, Traditional Medicaid home health claims should be submitted online via the Provider Healthcare Portal (Portal) or 837I electronic transaction, or submitted using the paper *UB-04* claim form. The Portal institutional claim, 837I electronic transaction, 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 the Portal professional claim or the 837P electronic transaction, or submitted using the paper *CMS-1500* claim form. If you are providing services under both the HCBS waiver and Traditional Medicaid programs, remember to indicate the IHCP Provider ID on waiver claims and the National Provider Identifier (NPI) on Traditional Medicaid claims.

QUESTIONS?

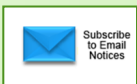
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