ARTICLE 3. BENEFITS AND MEDICAL POLICY

Rule 1. General Provisions

407 IAC 3-1-1 Intent and purpose

Authority: IC 12-17.6-2-11
Affected: IC 12-17.6-4

Sec. 1. (a) Under IC 12-17.6, Title XXI of the federal Social Security Act, the office of the children's health insurance program hereby adopts and promulgates this article to:

(1) interpret and implement the provisions of IC 12-17.6-4;

(2) ensure the efficient, economical, and medically reasonable operations of a children's health insurance program (referred to as CHIP) in Indiana; and

(3) safeguard against overutilization, fraud, abuse, and utilization and provision of services and supplies that are not medically reasonable or medically necessary and are not covered by the CHIP benefits package.

(b) The purposes for this article are accomplished in this article by using, to the extent possible, the same coverage criteria as that used by the Medicaid managed care program, for those services included in the CHIP benefit package, except as otherwise set forth in this article. *(Office of the Children's Health Insurance Program; 407 IAC 3-1-1; filed May 3, 2000, 2:02 p.m.: 23 IR 2234; readopted filed May 22, 2006, 3:22 p.m.: 29 IR 3424; readopted filed Jun 18, 2012, 11:23 a.m.: 20120718-IR-407120202RFA)*

Rule 2. Mental Health Parity (Repealed)

(Repealed by Office of the Children's Health Insurance Program; filed Oct 6, 2009, 4:14 p.m.: 20091104-IR-407080932FRA)

Rule 3. CHIP; Coverage; Use of Medicaid Rules

407 IAC 3-3-1 Covered services

Authority: IC 12-17.6-2-11
Affected: IC 12-17.6

Sec. 1. (a) The following services will be covered by CHIP using the same coverage criteria, limitations, and procedures, including prior authorization, as Medicaid under rules adopted by the secretary at 405 IAC 5 unless a service is listed as noncovered in 407 IAC 3-13:

(1) Physician services, except that office visits shall be reimbursed in accordance with 407 IAC 3-5-1.
(2) Inpatient hospital, except that inpatient rehabilitation services are limited to fifty (50) days per calendar year.
(3) Outpatient hospital.
(4) Laboratory and radiology.
(5) Certified nurse practitioner.
(6) Family planning services and supplies.
(7) Certified nurse-midwife.
(8) Vision.
(9) Home health and clinic services.
(10) Dental.
(11) Hospice.
(12) Diabetes self-management training.
(13) Food supplements, nutritional supplements, and infant formulas.
(14) Restricted utilization.
(15) Consultations and second opinions.
(16) Anesthesia.

(b) The following services will be covered by CHIP using the coverage criteria, limitations, and procedures described in 407 IAC 3-4 through 407 IAC 3-12:

(1) Early intervention services.
(2) Evaluation and management services.
(3) Medical supplies and equipment.
(4) Mental health and substance abuse services.
(5) Therapy services.
(6) Transportation.
(7) Pharmacy services.
(8) Podiatry services.
(9) Chiropractic services.

(Office of the Children's Health Insurance Program; 407 IAC 3-3-1; filed May 3, 2000, 2:02 p.m.: 23 IR 2235; readopted filed May 22, 2006, 3:22 p.m.: 29 IR 3424; readopted filed Jun 18, 2012, 11:23 a.m.: 20120718-IR-407120202RFA)

407 IAC 3-3-2 Prior authorization; administrative review and appeals

Authority: IC 12-17.6-2-11
Affected: IC 12-17.6

Sec. 2. (a) The procedures and requirements set forth in 405 IAC 5-3 and 405 IAC 5-7 for Medicaid prior authorization, administrative review, and appeals shall apply to the following:

(1) Services rendered to CHIP primary care case management members.

(2) Services rendered to CHIP risk-based managed care members if the service is carved out of a CHIP risk-based MCO contract.

(b) Except as provided in subsection (a) or as otherwise set forth in this article, the prior authorization procedures used by the Medicaid risk-based managed care program shall apply to services rendered to a CHIP risk-based managed care member.

(1) Services furnished by a CHIP MCO must be sufficient in amount, duration, and scope to reasonably achieve the purpose for which the services are furnished.

(2) CHIP MCOs shall publish their prior authorization procedures. The initial publication of prior authorization procedures and any updates to prior authorization procedures shall be made effective not earlier than forty-five (45) days after the date of publication. For purposes of this section, "publication" means, at minimum, making the prior authorization procedures available by posting the prior authorization procedures on the CHIP MCO's public website.

(3) A CHIP MCO's prior authorization procedures shall include all information necessary for a provider to submit a prior authorization request.

(4) A provider that:

(A) has an agreement with the office; and

(B) renders services to a CHIP MCO member;

must follow the procedures published under this subsection whether that provider has a contract with the CHIP MCO or not.

(5) Decisions by CHIP MCOs regarding prior authorization shall be made as expeditiously as possible considering the circumstances of each request. If no decision is made within seven (7) calendar days of receipt of all documentation required, authorization is deemed to be granted.

(Office of the Children's Health Insurance Program; 407 IAC 3-3-2; filed May 3, 2000, 2:02 p.m.: 23 IR 2235; readopted filed May 22, 2006, 3:22 p.m.: 29 IR 3424; filed Jun 1, 2011, 2:28 p.m.: 20110629-IR-407100420FRA; readopted filed Jun 18, 2012, 11:23 a.m.: 20120718-IR-407120202RFA)

407 IAC 3-3-3 Out-of-state services

Authority: IC 12-17.6-2-11
Affected: IC 12-17.6

Sec. 3. Those services otherwise covered in this article are covered when provided out-of-state, subject to the same requirements applicable to out-of-state services provided under the Medicaid program. *(Office of the Children's Health Insurance Program; 407 IAC 3-3-3; filed May 3, 2000, 2:02 p.m.: 23 IR 2235; readopted filed May 22, 2006, 3:22 p.m.: 29 IR 3424;*

readopted filed Jun 18, 2012, 11:23 a.m.: 20120718-IR-407120202RFA)

Rule 4. Early Intervention Services

407 IAC 3-4-1 Immunizations; screening; diagnosis

Authority: IC 12-17.6-2-11
Affected: IC 12-17.6

Sec. 1. Age-appropriate immunizations and periodic screening and diagnosis services shall be covered by CHIP in the same manner and at the same intervals as they are in the Medicaid program. *(Office of the Children's Health Insurance Program; 407 IAC 3-4-1; filed May 3, 2000, 2:02 p.m.: 23 IR 2235; readopted filed May 22, 2006, 3:22 p.m.: 29 IR 3424; readopted filed Jun 18, 2012, 11:23 a.m.: 20120718-IR-407120202RFA)*

407 IAC 3-4-2 Treatment

Authority: IC 12-17.6-2-11
Affected: IC 12-17.6

Sec. 2. Treatment found necessary as a result of a diagnosis pursuant to an initial or periodic screening may be provided subject to any prior authorization requirements and coverage limitations set out in this article. If a service is not covered under the state plan, it is not a reimbursable service by CHIP. *(Office of the Children's Health Insurance Program; 407 IAC 3-4-2; filed May 3, 2000, 2:02 p.m.: 23 IR 2235; readopted filed May 22, 2006, 3:22 p.m.: 29 IR 3424; readopted filed Jun 18, 2012, 11:23 a.m.: 20120718-IR-407120202RFA)*

Rule 5. Evaluation and Management Services

407 IAC 3-5-1 Limitations

Authority: IC 12-17.6-2-11
Affected: IC 12-17.6

Sec. 1. Reimbursement is available for office visits limited to a maximum of thirty (30) per recipient per rolling twelve (12) month period without prior authorization and subject to the restrictions applicable to the Medicaid program set forth in 405 IAC 5-9. *(Office of the Children's Health Insurance Program; 407 IAC 3-5-1; filed May 3, 2000, 2:02 p.m.: 23 IR 2236; readopted filed May 22, 2006, 3:22 p.m.: 29 IR 3424; readopted filed Jun 18, 2012, 11:23 a.m.: 20120718-IR-407120202RFA)*

Rule 6. Medical Supplies and Equipment

407 IAC 3-6-1 Coverage and limitations

Authority: IC 12-17.6-2-11
Affected: IC 12-17.6

Sec. 1. (a) Subject to the limitation in subsection (b), durable medical equipment, repairs to durable medical equipment, and medical supplies are covered using the same coverage criteria and prior authorization procedures applicable to the Medicaid program and set forth in 405 IAC 5-19.

(b) Durable medical equipment is subject to a maximum benefit of two thousand dollars ($2,000) per calendar year per member and five thousand dollars ($5,000) per member per lifetime. *(Office of the Children's Health Insurance Program; 407 IAC 3-6-1; filed May 3, 2000, 2:02 p.m.: 23 IR 2236; readopted filed May 22, 2006, 3:22 p.m.: 29 IR 3424; readopted filed Jun 18, 2012, 11:23 a.m.: 20120718-IR-407120202RFA)*

Rule 7. Mental Health and Substance Abuse Services

407 IAC 3-7-1 Reimbursement limitations

Authority: IC 12-17.6-2-11
Affected: IC 12-17.6

Sec. 1. (a) Reimbursement is available for mental health services subject to the limitations set out in the Medicaid program as well as additional limitations set forth in this rule.

(b) Reimbursement is not available for reservation of beds in psychiatric hospitals. *(Office of the Children's Health Insurance Program; 407 IAC 3-7-1; filed May 3, 2000, 2:02 p.m.: 23 IR 2236; filed Jul 21, 2004, 5:01 p.m.: 27 IR 3987; readopted filed May 22, 2006, 3:22 p.m.: 29 IR 3424; filed Oct 6, 2009, 4:14 p.m.: 20091104-IR-407080932FRA; readopted filed Jun 18, 2012, 11:23 a.m.: 20120718-IR-407120202RFA)*

Rule 8. Therapy Services

407 IAC 3-8-1 Reimbursement limitations

Authority: IC 12-17.6-2-11
Affected: IC 12-17.6

Sec. 1. Reimbursement is available for physical, speech, occupational, and respiratory therapy subject to the limitations set forth in the Medicaid program as well as the limitations set forth in this rule. *(Office of the Children's Health Insurance Program; 407 IAC 3-8-1; filed May 3, 2000, 2:02 p.m.: 23 IR 2236; readopted filed May 22, 2006, 3:22 p.m.: 29 IR 3424; readopted filed Jun 18, 2012, 11:23 a.m.: 20120718-IR-407120202RFA)*

407 IAC 3-8-2 Maximum visits

Authority: IC 12-17.6-2-11
Affected: IC 12-17.6

Sec. 2. Physical, speech, occupational, and respiratory therapy is limited to a maximum of fifty (50) visits per member per rolling twelve (12) month period for each type of therapy. *(Office of the Children's Health Insurance Program; 407 IAC 3-8-2; filed May 3, 2000, 2:02 p.m.: 23 IR 2236; errata filed Aug 2, 2000, 3:21 p.m.: 23 IR 3091; readopted filed May 22, 2006, 3:22 p.m.: 29 IR 3424; readopted filed Jun 18, 2012, 11:23 a.m.: 20120718-IR-407120202RFA)*

Rule 9. Transportation

407 IAC 3-9-1 Reimbursement limitations

Authority: IC 12-17.6-2-11
Affected: IC 12-17.6

Sec. 1. Emergency ambulance transportation is a covered service, subject to the prudent layperson definition of emergency in 407 IAC 1-1-6. *(Office of the Children's Health Insurance Program; 407 IAC 3-9-1; filed May 3, 2000, 2:02 p.m.: 23 IR 2236; readopted filed May 22, 2006, 3:22 p.m.: 29 IR 3424; readopted filed Jun 18, 2012, 11:23 a.m.: 20120718-IR-407120202RFA)*

407 IAC 3-9-2 Nonemergency ambulance transportation

Authority: IC 12-17.6-2-11
Affected: IC 12-17.6

Sec. 2. Nonemergency ambulance transportation between medical facilities is a covered service when ordered by the treating physician. *(Office of the Children's Health Insurance Program; 407 IAC 3-9-2; filed May 3, 2000, 2:02 p.m.: 23 IR 2236; readopted filed May 22, 2006, 3:22 p.m.: 29 IR 3424; readopted filed Jun 18, 2012, 11:23 a.m.: 20120718-IR-407120202RFA)*

407 IAC 3-9-3 Copayment

Authority: IC 12-17.6-2-11
Affected: IC 12-17.6

Sec. 3. (a) A ten dollar ($10) copayment is required for ambulance transportation.

(b) The copayment shall be paid by the member and collected by the provider. Reimbursement shall be adjusted to reflect the copayment amount for which the member is liable. *(Office of the Children's Health Insurance Program; 407 IAC 3-9-3; filed May 3, 2000, 2:02 p.m.: 23 IR 2237; readopted filed May 22, 2006, 3:22 p.m.: 29 IR 3424; readopted filed Jun 18, 2012, 11:23 a.m.: 20120718-IR-407120202RFA)*

Rule 10. Pharmacy Services

407 IAC 3-10-1 Nonlegend drugs

Authority: IC 12-17.6-2-11
Affected: IC 12-17.6

Sec. 1. (a) A nonlegend drug, with the exception of nonlegend insulin, is covered to the extent such drug is:

(1) included on the Indiana Medicaid nonlegend drug formulary;

(2) included on the Indiana Medicaid preferred drug list; and

(3) not specifically excluded from coverage.

(b) Nonlegend insulin is covered to the extent it is subject to the terms of a rebate agreement between the drug's manufacturer and the Centers for Medicare and Medicaid Services (CMS). *(Office of the Children's Health Insurance Program; 407 IAC 3-10-1; filed May 3, 2000, 2:02 p.m.: 23 IR 2237; readopted filed May 22, 2006, 3:22 p.m.: 29 IR 3424; filed Jun 1, 2011, 2:28 p.m.: 20110629-IR-407100420FRA; readopted filed Jun 18, 2012, 11:23 a.m.: 20120718-IR-407120202RFA)*

407 IAC 3-10-2 Generic drugs

Authority: IC 12-17.6-2-11
Affected: IC 12-17.6

Sec. 2. Brand name drugs, where generic substitution is possible, are covered in accordance with applicable law.

(1) Brand name drugs are covered if the brand name drug is:

(A) medically necessary; or

(B) less costly than the generic.

(2) A brand name drug is medically necessary if the prescriber:

(A) indicates in the prescriber's own handwriting "brand medically necessary" on the prescription or drug order; and

(B) obtains prior authorization by substantiating the medical necessity of the brand name drug as opposed to the less costly generic equivalent. For brand name drugs reimbursable by the office, the prior authorization number assigned to the approved request must be included on the prescription or drug order issued by the prescriber or relayed to the dispensing pharmacist by the prescriber if the prescription is orally transmitted. The office may exempt specific brand name drugs or classes of brand name drugs from the prior authorization requirement.

(Office of the Children's Health Insurance Program; 407 IAC 3-10-2; filed May 3, 2000, 2:02 p.m.: 23 IR 2237; readopted filed May 22, 2006, 3:22 p.m.: 29 IR 3424; filed Jun 1, 2011, 2:28 p.m.: 20110629-IR-407100420FRA; readopted filed Jun 18, 2012, 11:23 a.m.: 20120718-IR-407120202RFA)

407 IAC 3-10-3 Copayments

Authority: IC 12-17.6-2-11
Affected: IC 12-17.6

Sec. 3. (a) A three dollar ($3) copayment is required for generic, compound, and sole source drugs.

(b) A ten dollar ($10) copayment is required for brand name drugs.

(c) The copayment shall be paid by the member and collected by the provider. Reimbursement shall be adjusted to reflect the copayment amount for which the member is liable.

(d) A provider may deny services if the member does not pay the required copayment. *(Office of the Children's Health Insurance Program; 407 IAC 3-10-3; filed May 3, 2000, 2:02 p.m.: 23 IR 2237; readopted filed May 22, 2006, 3:22 p.m.: 29 IR 3424; readopted filed Jun 18, 2012, 11:23 a.m.: 20120718-IR-407120202RFA)*

Rule 11. Podiatry Services

407 IAC 3-11-1 Covered services

Authority: IC 12-17.6-2-11
Affected: IC 12-17.6

Sec. 1. Reimbursement is available for the following podiatry services when performed within the scope of practice of the podiatry profession as defined by Indiana law, subject to the limitations set forth in the Medicaid program as well as the limitations set forth in this rule:

(1) Surgical procedures involving the foot.

(2) Laboratory services.

(3) X-ray services.

(Office of the Children's Health Insurance Program; 407 IAC 3-11-1; filed May 3, 2000, 2:02 p.m.: 23 IR 2237; readopted filed May 22, 2006, 3:22 p.m.: 29 IR 3424; readopted filed Jun 18, 2012, 11:23 a.m.: 20120718-IR-407120202RFA)

407 IAC 3-11-2 Noncovered services

Authority: IC 12-17.6-2-11
Affected: IC 12-17.6

Sec. 2. Routine foot care as defined in 405 IAC 3-26-3 *[sic.]* is not covered. *(Office of the Children's Health Insurance Program; 407 IAC 3-11-2; filed May 3, 2000, 2:02 p.m.: 23 IR 2237; readopted filed May 22, 2006, 3:22 p.m.: 29 IR 3424; readopted filed Jun 18, 2012, 11:23 a.m.: 20120718-IR-407120202RFA)*

Rule 12. Chiropractic Services

407 IAC 3-12-1 Reimbursement

Authority: IC 12-17.6-2-11
Affected: IC 12-17.6

Sec. 1. Reimbursement is available for chiropractic services subject to the limitations set forth in the Medicaid program as well as the limitations set forth in this rule. *(Office of the Children's Health Insurance Program; 407 IAC 3-12-1; filed May 3, 2000, 2:02 p.m.: 23 IR 2237; readopted filed May 22, 2006, 3:22 p.m.: 29 IR 3424; readopted filed Jun 18, 2012, 11:23 a.m.: 20120718-IR-407120202RFA)*

407 IAC 3-12-2 Limitations

Authority: IC 12-17.6-2-11
Affected: IC 12-17.6

Sec. 2. (a) Chiropractic services are limited to:

(1) five (5) visits; and

(2) fourteen (14) procedures;

per rolling twelve (12) month period.

(b) Reimbursement is available for medically necessary additional procedures subject to prior authorization. *(Office of the Children's Health Insurance Program; 407 IAC 3-12-2; filed May 3, 2000, 2:02 p.m.: 23 IR 2237; readopted filed May 22, 2006, 3:22 p.m.: 29 IR 3424; readopted filed Jun 18, 2012, 11:23 a.m.: 20120718-IR-407120202RFA)*

Rule 13. Services Not Covered by CHIP

407 IAC 3-13-1 Noncovered services

Authority: IC 12-17.6-2-11
Affected: IC 12-17.6

Sec. 1. The following services are not covered by CHIP:

(1) Services that are not covered by the Medicaid program.
(2) Services provided in a nursing facility.
(3) Services provided in an intermediate care facility for the mentally retarded (ICF/MR).
(4) Private duty nursing.
(5) Case management services for the following:
    (A) Persons with HIV/AIDS.
    (B) Pregnant women.
(6) Nonambulance transportation.
(7) Services provided by Christian Science nurses.
(8) Services provided in Christian Science sanatoriums.
(9) Organ transplants.
(10) Reserved beds in psychiatric hospitals.
(11) Any other service or supply listed in this article as noncovered.

(Office of the Children's Health Insurance Program; 407 IAC 3-13-1; filed May 3, 2000, 2:02 p.m.: 23 IR 2237; filed Jul 21, 2004, 5:01 p.m.: 27 IR 3987; readopted filed May 22, 2006, 3:22 p.m.: 29 IR 3424; filed Oct 6, 2009, 4:14 p.m.: 20091104-IR-407080932FRA; filed Jun 1, 2011, 2:28 p.m.: 20110629-IR-407100420FRA; readopted filed Jun 18, 2012, 11:23 a.m.: 20120718-IR-407120202RFA)

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