

Document: Proposed Rule, **Register Page Number:** 28 IR 3654

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**TITLE 405 OFFICE OF THE SECRETARY OF
FAMILY AND SOCIAL SERVICES**

Proposed Rule
LSA Document #05-113

DIGEST

Adds 405 IAC 1-12-27 to limit annual increases in base Medicaid rates for nonstate-owned intermediate care facilities for the mentally retarded and community residential facilities for the developmentally disabled. Effective 30 days after filing with the Secretary of State.

405 IAC 1-12-27

SECTION 1. 405 IAC 1-12-27 IS ADDED TO READ AS FOLLOWS:

405 IAC 1-12-27 Limitation to Medicaid rate increases for nonstate-owned intermediate care facilities for the mentally retarded and community residential facilities for the developmentally disabled

Authority: IC 12-8-6-5; IC 12-15-1-10; IC 12-15-21-2

Affected: IC 12-13-7-3; IC 12-15

Sec. 27. In addition to all other provisions of this rule, for the period October 1, 2005, through June 30, 2007, all annual and base Medicaid rates established under section 6 of this rule shall be limited to an annual increase of one hundred three percent (103%) of the provider's Medicaid rate previously in effect. (Office of the Secretary of Family and Social Services; 405 IAC 1-12-27)

Notice of Public Hearing

Under IC 4-22-2-24, notice is hereby given that on September 29, 2005 at 9:00 a.m., at the Indiana Government Center-South, 402 West Washington Street, Conference Center Room 20, Indianapolis, Indiana the Office of the Secretary of Family and Social Services will hold a public hearing on proposed rule amendments concerning Medicaid reimbursement methodology for nonstate-owned intermediate care facilities for the mentally retarded and community residential facilities for the developmentally disabled.

In accordance with public notice requirements established at 42 CFR 447.205, Section 1902(a)(13)(A) of the Social Security Act, and IC 4-22-2-24(d), the Indiana Family and Social Services Administration, Office of Medicaid Policy and Planning (OMPP) publishes this notice of proposed changes to methods and standards governing reimbursement policy for nonstate-owned intermediate care facilities for the mentally retarded and community residential facilities for the developmentally disabled.

OMPP proposes to modify the reimbursement methodology by limiting annual and Medicaid base rates to an annual increase of 103% of the provider's Medicaid rate previously in effect for the period beginning October 1, 2005, and ending June 30, 2007. These changes are necessary to curb the state's high growth rate of Medicaid spending and to stay within available appropriations. An emergency rule enacting this proposed rule will be adopted and take effect October 1, 2005.

Rates were calculated by projecting future annual increases based on historical spending. Because historical annual increases have been greater than 3%, Medicaid selected the 103% increase limit on spending to implement a savings to the program. It is expected that the total state and federal savings for this rule are \$1.6 million in state fiscal year 2006 and \$3.8 million in state fiscal year 2007. The expected state only savings are \$0.6 million in state fiscal year 2006 and \$1.4 million for state fiscal year 2007.

All parties interested in the rule are invited to attend the hearing and offer public comments. In lieu of attendance at the hearing, written comments may be sent to: IFSSA, Attention: Karen Filler, 402 W. Washington Street, Room W382, P.O. Box 7083, Indianapolis, IN 46207-7083. Correspondence should be identified in the following manner: "COMMENT RE: LSA Document #05-113 PROPOSED CHANGES TO ICF/MR REIMBURSEMENT SYSTEM. All written comments concerning the rule received by OMPP will be available for public inspection at the Office of Medicaid Policy and Planning, 402 West Washington Street Room W382, Indianapolis, IN 46204.

Copies of the proposed rule and this notice are now available and may be inspected by contacting the Director of the local county Division of Family Resources office, except in Marion County, where public inspection may be made at 402 West Washington Street, Room W382, Indianapolis, Indiana. Copies of the proposed rates are available on the internet at www.mslcindy. Interested parties without internet access should contact Myers and Stauffer, LLC at (800) 877-6927 to obtain copies of proposed rates.

Copies of these rules are now on file at the Indiana Government Center-South, 402 West Washington Street, Room W451 and Legislative Services Agency, One North Capitol, Suite 325, Indianapolis, Indiana and are open for public inspection.

E. Mitchell Roob Jr.
Secretary
Office of the Secretary of Family and Social Services