

**OFFICE OF THE SECRETARY OF FAMILY AND SOCIAL SERVICES  
NOTICE OF PROPOSED CHANGES IN METHODS AND STANDARDS OF  
MEDICAID REIMBURSEMENT FOR NURSING FACILITIES**

In accordance with public notice requirements established at 42 CFR 447.205 and Section 1902(a)(13)(A) of the Social Security Act, 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 Medicaid-enrolled state-owned nursing facilities.

OMPP proposes to amend the reimbursement methodology at 405 IAC 17 by also applying it to state-owned nursing facilities. Currently, this methodology applies only to state owned intermediate care facilities for the mentally retarded (ICFs/MR). The existing methodology is based on retrospective rate setting principles and includes an annual cost settlement. The Medicaid State Plan Amendment implementing this change will take effect on July 1, 2006, and is being adopted in order to provide consistent treatment to all Medicaid-enrolled state-owned long-term care facilities. A hearing on amendments to the rule at 405 IAC 1-17 will be held at a later date, with prior notice of the hearing being published in the Indiana Register and Indianapolis Star.

The estimated annual increase in Medicaid expenditures is expected to be \$20.2 million in state and federal dollars. One facility (the Indiana Veteran's Home) is expected to be impacted by this change and the proposed per diem rate for that facility is \$232 per day.

Anyone who wishes to comment on the proposed changes may submit written comments to: OMPP, Attention: Karen Filler, 402 West Washington Street, Room W382, P.O. Box 7083, Indianapolis, IN, 46207-7083. Correspondence should be identified in the following manner: COMMENTS RE: PROPOSED CHANGES TO STATE-OWNED FACILITY REIMBURSEMENT SYSTEM.

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

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