

December 8, 2009

As you are likely aware, the state has issued notice of an impending emergency rule change and the attached corresponding provider bulletin (BT200943) regarding payment of inpatient and outpatient hospital rates.

MHS will reimburse inpatient and outpatient hospital claims submitted with a “from” date of service on or after January 1, 2010 in accordance to the Provider Bulletin BT200943. The DRG base rate and Indiana Health Coverage Program (IHCP) Fee Schedule shall take into account the 5 percent rate reduction for inpatient and outpatient claims mandated by the Office of Medicaid Policy and Planning. As such, MHS will pay 100% of the adjusted rate beginning January 1, 2010 through June 30, 2011 – which is 5 percent less than the rate as it is currently calculated. MHS will adjust its reimbursement rate simultaneously with any state adjustments in its reimbursement rate following January 1, 2010 to ensure that MHS providers will continue to receive 100% of the state’s reimbursement rate.

Further, the state will soon be issuing public guidance on Graduate Medical Education payments. As required by an executed contract amendment with the State of Indiana, MHS will no longer be making graduate medical education payments to hospitals. These payments will now be made directly from the IHCP. The state has advised us that we should inform you of this impending change prior to their announcement. This will be in effect beginning on January 1, 2010.

We appreciate your continuing support of the Medicaid program in providing quality care to Indiana’s neediest citizens. Should you have any questions regarding this notice, please contact a MHS representative at (877)-647-4848. Again, thank you for your time and attention to this issue.

Sincerely,



Patrick Rooney
President & CEO