



Michael R. Pence, Governor  
State of Indiana

***Division of Disability and Rehabilitative Services***  
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To: Division of Disability and Rehabilitative Services Providers  
From: Nicole Norvell, Director, Division of Disability and Rehabilitative Services  
Re: CMS approved rate reduction  
Date: August 4, 2014

On July 15, 2014, the Centers for Medicare and Medicaid Services (CMS) approved State Plan Amendment 13-005 to adjust the rate reduction on reimbursement for non-state-owned intermediate care facilities for individuals with intellectual disabilities (ICF/IID) and community residential facilities for the developmentally disabled (CRF/DD) services from 3 percent to 1 percent. The reimbursement will be effective January 1, 2014, through June 30, 2015.

Additionally, the Medicaid rate for the ICF/IID licensed as a comprehensive rehabilitative needs facility (CRMNF) is being revised to a per diem rate of \$626.26 per resident day.

The reduction is to the Medicaid *per diem* rate before the reduction of any patient liability or third-party liability (TPL) on the claim. Beginning on July 25, 2014, the rate changes will be systematically loaded into the claims payment system. The percent rate reduction will apply to dates of service through June 30, 2015. The retroactive rate adjustments for ICF/IID and CRF/DD facilities will be an ongoing process. The retroactive rates will be released in alphabetical order by provider. This process will be reversed for any facilities who also received a rate change April 1, 2014.

Previously, the Indiana Health Coverage Programs (IHCP) implemented the 3 percent rate reduction for ICF/IDDs and CRF/DDs effective April 1, 2010, through December 31, 2013.

A timeframe for the release of the rates is available on the [Myers & Stauffer website](#). The Office of Medicaid Policy and Planning (OMPP) is developing a plan for implementing the adjustment and will share it once it is complete. Questions regarding these changes may be directed to Derris Harrison, OMPP Reimbursement Section, at (317) 234-6073 or [Derris.Harrison@fssa.IN.gov](mailto:Derris.Harrison@fssa.IN.gov).

