

IHCP *bulletin*

INDIANA HEALTH COVERAGE PROGRAMS BT2023149 OCTOBER 31, 2023

HIP Rate Equalization Project to align rates across all programs, effective Jan. 1, 2024

The Healthy Indiana Plan (HIP) Rate Equalization Project is under way to equalize provider reimbursement across all Indiana Medicaid programs for physician and ancillary services, effective Jan. 1, 2024. *Indiana Health Coverage Programs (IHCP) Bulletin* [BT202277](#) initially announced this new reimbursement model.

The IHCP Professional Fee Schedule will be aligned with 100% of Medicare rates. Rates for Hoosier Healthwise, Hoosier Care Connect and fee-for-service (FFS) programs are all being increased to 100% of Medicare rates to align with HIP rates. The HIP rates for 2024 will remain the same as the rates paid in 2023. The 2024 IHCP Professional Fee Schedule will be implemented as a *minimum* fee schedule for all managed care plans, and managed care entities will be required to reimburse providers at or above the fee schedule rates for services covered under the member's benefit plan.



To allow providers to preview the coming rate changes, the IHCP has created four fee schedules showing the new reimbursement rates for physician services, durable medical equipment (DME) and medical supplies, nonemergency medical transportation (NEMT), and dental services. Beginning in January 2024, the rates on the IHCP Professional Fee Schedule (accessible from the [IHCP Fee Schedules](#) page at in.gov/medicaid/providers) will be updated to reflect the rates shown on these four preview documents.

Please note that the HIP Rate Equalization Project impacts rates for physician and ancillary services listed in this bulletin. The project does not impact rates for inpatient hospital, pharmacy or outpatient hospital services.

Physician services

Physician services will be aligned with 100% of the **prior year's** Medicare rates. The average reimbursement **increase** for some physician services are listed in [Table 1](#).

Table 1 – Examples of average reimbursement increase for physician services

| Physician service | Average reimbursement increase |
|----------------------------|--------------------------------|
| Office visits | 26% |
| Maternity services | 48% |
| Surgical procedures | 28% |
| Behavioral health services | 28% |
| Vision services | 23% |
| Audiology services | 41% |
| Radiology services | 6% |
| Anesthesia services | 53% |

A preview of the 2024 rates for physician services is available from the [IHCP Fee Schedules](#) page at in.gov/medicaid/providers.

Ancillary services

The following sections apply to ancillary services and the 2024 rate alignment.

Durable medical equipment (DME) and medical supplies

DME and medical supply codes that have a Medicare rate will be aligned with 100% of the **prior year's** Medicare rates. DME and medical supply codes that do not have a Medicare rate, will receive an inflationary index increase. A preview of the 2024 rates for DME and medical supplies is available from the [IHCP Fee Schedules](#) page at in.gov/medicaid/providers.

Nonemergency medical transportation (NEMT)

FFS NEMT services will have a 20% rate increase. Managed care entities will continue to reimburse NEMT providers using their market-based rating, which does not vary by managed care program. A preview of the 2024 rates for NEMT is available from the [IHCP Fee Schedules](#) page at in.gov/medicaid/providers.

Dental

Dental rates have been rebased for 2024 and reflect a 10% increase in aggregate dental spend. A preview of the 2024 rates for dental services is available from the [IHCP Fee Schedules](#) page at in.gov/medicaid/providers.

Dental age range and tooth range pricing will be discontinued.

Hospice

Hospice rates are currently aligned with 100% of Medicare rates. There will be a minor modification in the additional room-and-board portion of the hospice payment as those will all be paid based on the state nursing facility rate.

Nursing facility and home health

The rates for nursing facility services and home health agency services will be equalized to the reimbursement rates established for Medicaid FFS rates.

Indexing of rates for future years

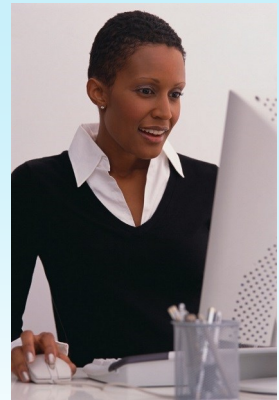
The physician, DME and hospice rates will be adjusted annually to align with changes in Medicare rates. Rates for other services will be adjusted annually using an inflationary rate index.

For more information

See [HIP Rate Equalization Frequently Asked Questions](#) for more information.

If you have questions, please let us know by emailing

FSSA.IHCPReimbursement@fssa.in.gov.



QUESTIONS?

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