

# IHCP *bulletin*

INDIANA HEALTH COVERAGE PROGRAMS    BT202389    AUGUST 1, 2023

## IHCP revises Hospital Assessment Fee adjustment factor for outpatient and inpatient rates

Effective Aug. 1, 2023, the Indiana Health Coverage Programs (IHCP) will revise one of the Hospital Assessment Fee (HAF) adjustment factors used for outpatient reimbursement and inpatient diagnosis-related group (DRG) reimbursement to eligible hospitals.

The revised HAF adjustment factor applies within the fee-for-service (FFS) and managed care delivery systems, including reimbursement under the Healthy Indiana Plan (HIP), Hoosier Care Connect and Hoosier Healthwise programs.

The change in outpatient and inpatient reimbursement will ensure that aggregate payments to eligible providers reasonably approximate the Medicare upper-payment limits without exceeding those limits.



The following are the HAF adjustment factors as of Aug. 1, 2023:

- The adjustment factor for the inpatient DRG base rate is 3.5 (no change).
- The revised adjustment factor for the inpatient rehabilitation level-of-care (LOC) rate is 3.2 (previously 2.6).
- The adjustment factor for the inpatient psychiatric LOC rate is 3.2 (no change).
- The adjustment factor for the inpatient burn LOC rate is 1.0 (no change).
- The adjustment factor for the outpatient rate is 3.9 (no change).

The revised adjustment factor will be applied to claims with dates of service (DOS) on or after Aug. 1, 2023. The IHCP will use the date of discharge on inpatient claims to determine which inpatient DRG base rate HAF adjustment factor is used.

Reimbursement for outpatient laboratory services, which includes the following procedure codes, is not subject to HAF change:

- Laboratory procedure codes in the Medicare clinical laboratory fee schedule, available from the [Clinical Laboratory Fee Schedule](#) page at cms.gov
- Procedure codes linked to revenue code 636 – *Pharmacy (Extension of 025X) – Drugs Requiring Detailed Coding*
- Procedure codes linked to revenue code 274 – *Medical/Surgical Supplies and Devices – Prosthetic/Orthotic Devices*

To remain within the hospital upper-payment limit, adjustment factors may be revised in the future. Providers will be notified of any change to the adjustment factors through a future IHCP bulletin.

**QUESTIONS?**

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