

IHCP *bulletin*

INDIANA HEALTH COVERAGE PROGRAMS BT2025123 AUGUST 26, 2025

Providers to be able to access PACE liability and transfer-of-property penalty information Sept. 25

The Indiana Health Coverage Programs (IHCP) is implementing changes to receive and report member liabilities for the Program of All-Inclusive Care for the Elderly (PACE) and PACE member transfer-of-property penalties. These changes will affect how provider claims are processed and how member eligibility is displayed through the Eligibility Verification System (EVS) options. These changes will be completed and available to providers Sept. 25, 2025.

This bulletin outlines the upcoming changes to the IHCP Provider Healthcare Portal (IHCP Portal) and electronic data interchange (EDI) transactions.

This system update allows the IHCP to process and store new PACE liability indicator data from the Indiana Eligibility Determination Services System (IEDSS) and be able to distinguish between Home- and Community-Based Services (HCBS) waiver liabilities and PACE liabilities and transfer-of-property penalties.



Eligibility verification

Providers will see new information regarding a member's PACE liability or transfer-of-property penalties when checking eligibility through the following channels:

- **Virtual assistant (GABBY):** The interactive virtual assistant (GABBY) will report the member's PACE liability gross amount, effective date and end date if a liability greater than \$0 exists for the requested date of service.
- **271 Health Care Eligibility Benefit Response:** The 271 response transaction will also include the PACE liability gross dollar amount, effective date and end date for members with an open PACE liability.
- **IHCP Portal:** A new page will be added to the IHCP Portal to display member PACE liability, and transfer-of-property information will now be displayed for PACE members. Facilities can only collect the liability amounts listed in the portal and they are not to collect more than what is listed in the portal.

Capitation and claim processing

For PACE providers, the IHCP will introduce new capitation reason codes to identify payment reductions because of PACE liability or transfer-of-property penalties. The capitation payment logic for both full and half capitation will be revised to account for these liabilities and penalties. Long-term care services are not reimbursable for dates of service during a transfer-of-property penalty.

The new capitation reason codes that will be displayed on the 820 MCE Capitation Payment Information electronic transaction are as follows:

- **ZA** – Payment Reduction - PACE Liability-Full
- **ZB** – Payment Reduction - PACE Liability-Half
- **ZC** – Payment Reduction - Transfer of Property-Full
- **ZD** – Payment Reduction - Transfer of Property-Half



EDI transactions for MCEs

Managed care entities (MCEs) will see revisions to the following electronic transactions:

- **834 MCE Benefit Enrollment and Maintenance:** The daily and audit records will be revised to include the member's current PACE liability amount, effective date and end date in the 2750 loop. It will also include the transfer of property effective and end dates.
- **820 MCE Capitation Payment Information:** The 820 transaction will be revised to report the member's PACE liability amount that was used to reduce the capitation payment as "Cost Share Applied."

QUESTIONS?

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