

LSA NUMBER: #10-168(F)

TITLE: Medicaid Providers and Services—Reimbursement for Services Performed by Physicians, Limited License Practitioners, and Nonphysician Practitioners

DIVISION: Office of Medicaid Policy and Planning

PREPARED BY: Program Staff: Tom Curran Legal Staff: Joy Heim

OVERVIEW OF RULE: This rule amendment reduces Medicaid reimbursement for dental services by five percent (5%), beginning on the effective date of this rule amendment through June 30, 2011. This reduction in Medicaid reimbursement began on April 1, 2010, via an Emergency Rule promulgation. On July 1, 2011, the five percent (5%) Medicaid rate reduction will be removed.		
FISCAL IMPACT: The estimated decrease in Medicaid expenditures for this rule amendment is as follows:		
	SFY 2010	SFY 2011
	<u>(\$ in millions)</u>	<u>(\$ in millions)</u>
Estimated Decrease in Medicaid Payments ¹	<u>(\$2.3)</u>	<u>(\$12.0)</u>
Estimated Federal Share ²	(\$1.7)	(\$8.3)
Estimated State Share ²	<u>(\$0.6)</u>	<u>(\$3.7)</u>
ECONOMIC IMPACT: The impact to providers will be a 5% reduction in the calculated reimbursement amount for Medicaid claims. While this reduction will result in a decrease in reimbursement for affected providers, a comparison analysis showed that only 7% of the reduced dental rates are lower than rates paid by surrounding states, and of the most utilized dental procedures, only 6% of the reduced rates are lower than other states' rates. Therefore, inclusive of the 5% reduction, the majority of Indiana's dental rates remain greater than dental rates paid by surrounding the states. The proposed reimbursement change is an equitable reduction to all providers, at a level that produces considerable savings for Indiana Medicaid, without having a detrimental impact on individual providers.		
OPPONENTS: Dental Providers		
PROPONENTS: OMPP		
RECOMMENDATIONS: None.		
PUBLIC HEARING COMMENTS: The public hearing was held on Thursday, August 5, 2010. There were no public comments.		

¹ Source: Milliman, Inc. projection dated 1/8/2010

² For the period 4/1/2010 through 12/31/2010, the Federal Medical Assistance Percentage (FMAP) rate used is the enhanced FMAP rate determined under the American Recovery and Reinvestment Act (ARRA) of 2009 that applies for the period 1/1/2010 through 3/31/2010. The enhanced FMAP rate may change on a quarterly basis through 12/31/2010 as a result of this legislation. For the period from 1/1/2011 through 6/30/2011, the FMAP rate used is the FFY 2011 FMAP rate published in the Federal Register, volume 74, No. 227, dated November 27, 2009.