

# IHCP *bulletin*

INDIANA HEALTH COVERAGE PROGRAMS    BT201122    MAY 24, 2011



## Reduction in reimbursement for inpatient and outpatient hospital services extended

The 5 percent reduction in reimbursement for inpatient and outpatient hospital services, including Medicare crossover claims, effective January 1, 2010, through June 30, 2011, is being extended through June 30, 2013. As before, the rate reduction is not applicable for state-operated psychiatric hospitals. Disproportionate share hospital (DSH) payments and hospital upper payment limit (UPL) payments are not subject to the reimbursement reduction.

Reimbursement for inpatient and inpatient crossover claims submitted with a from date of service on or after January 1, 2010, and continuing through June 30, 2013, will be reduced by 5 percent. As addressed in bulletin [BT200943](#), inpatient hospital claims will process through the diagnosis-related group (DRG) grouper. DRG payments, capital payments, medical education payments (if applicable), and outlier payments (if applicable) will be calculated as usual. The total calculated payment amount will be reduced by 5 percent prior to subtracting any applicable third-party liability (TPL) payments.

The allowed amount for each detail line of outpatient and outpatient crossover claims will be calculated using the current reimbursement methodology. The allowed amount for each line item on the outpatient claim will be reduced by 5 percent at the detail level. Third-party liability (TPL) will be subtracted from the total allowed amount of the claim.

The OMPP appreciates your cooperation and your continued participation as providers in the IHCP.

### QUESTIONS?

If you have questions about this publication, please contact Customer Assistance at (317) 655-3240 in the Indianapolis local area or toll-free at 1-800-577-1278.

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