

HIP Rate Equalization Frequently Asked Questions

What is HIP Rate Equalization?

Federal regulation requires states to equalize provider reimbursement across all Managed Care programs. The HIP Rate Equalization project will align provider reimbursement as of 1/1/2024.

What rates are being updated; what are the new rates?

The following services will be reimbursed at 100% of prior year Medicare rates.

- Physician Services
- Laboratory Services
- School Corporation Services
- DME (Durable Medical Equipment)

Nursing Facility Services and Home Health Agency Services will be reimbursed at the Medicaid FFS rates.

Equalized rates for Dental and Non-Emergency Medical Transportation (NEMT) are still under development.

When will the new rates be effective?

The new rates will be effective January 1, 2024

Will rates be updated every year?

Yes, every January rates will be adjusted based on changes in Medicare rates or an inflationary index.

Does Medicare ever reduce rates? If so, how would that impact the new Medicaid rate?

Yes, Medicare generally increases rates but occasionally rates are reduced. If Medicare rates decrease, the Medicaid Physician/Professional fee schedule would be adjusted accordingly.

When will the provider fee schedules be posted?

Fee schedules for 1/1/24 will be posted in the fourth quarter of 2023.

Why are the prior year Medicare rates used instead of the current year rates?

For ease of administration, use of prior year Medicare rates allows fee schedules to be published in advance and avoid retroactive adjustments to claims.

Are the MCEs required to pay the new rates?

Yes, a minimum fee schedule will be set for all the above services with the exception of NEMT.

Can MCEs negotiate lower rates?

MCEs cannot negotiate a lower payment rate than the minimum fee schedule. They can negotiate a higher rate to improve access.

What is the difference between HIP Rate Equalization and the Rate Matrix project?

HIP Rate Equalization is a project to equalize reimbursement across all Indiana Medicaid programs.

The **Rate Matrix** is a schedule for rate reviews for those services that do not otherwise have a regularly scheduled review detailed in state or federal code. Rates for each service will be reviewed at least every four years using an evidence-based rate methodology that includes input from providers and other stakeholders. The rate matrix approach also includes a yearly index in the years between rate reviews

If you have questions, please let us know by emailing FSSA.IHCPReimbursement@FSSA.IN.gov.