



IDAHO DEPARTMENT OF
HEALTH & WELFARE

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MEDICAID INFORMATION RELEASE 2009-08

To: Medicaid Hospital Providers
From: Leslie M. Clement, Administrator
Subject: Hospital Interim Rate Change

The Information in this Release Rescinds Information Release 2008-25

All state agencies have been directed by the Governor (Executive Order 2008-05) to make reductions in their general fund budgets for fiscal year 2009 and 2010 due to the downturn in the state and national economy.

As one of the initial responses to this order, the Division of Medicaid initiated a 10 percent reduction to the in-patient and out-patient interim reimbursement rates and cost limits effective January 5, 2009, for all Idaho Medicaid hospital providers. Due to increased federal funds made available through the American Recovery and Reinvestment Act (ARRA), as well as additional savings identified in other parts of the Medicaid budget, this reduction will be reduced to 5 percent. This change will be made immediately and retroactively to the original January 5, 2009, date.

We will be performing automated system adjustments to claims that have been paid with dates of service on or after January 5, 2009. The under payments resulting from the adjustments will be paid to providers. No additional action from providers is required, but we wanted you to be aware of this activity, which will be reflected on remittance advices as the adjustments are worked through the system. Providers should expect to see each of these claims with a new version number on a future remittance advice.

The federal upper payment limit (FUPL) gap will be increased due to this change, which results in larger annual FUPL payments for all hospitals that qualify to receive a federal upper limit payment.

If you have any questions, please contact the Division of Medicaid's principal financial specialist at (208) 364-1817.

Thank you for your continued participation in the Idaho Medicaid Program.

LMC/rs