

LeadingAge Indiana Reimbursement Roundtable

Presented by: Alex Craig, CPA / October 23, 2025

forv/s
mazars

Agenda

1. Reminder on SNF Revalidations – Due Date extended to January 1st
2. Pathways plan alignment to D-SNP plan
3. Government shutdown
4. Update on IN Medicaid Rates and UPL
5. Transition from RUGS to PDPM
6. Average Commercial Rate (ACR) and its impact on UPL



Reminders & Updates

REMINDER: SNF Off-Cycle Medicare
Revalidations Due January 1, 2026

Days to January 1st:

70



REMINDER: November 15, 2025 is the next important date for delicensing beds

- If you do wish to delicense beds:
 - Bed change requests should be submitted to the IDOH by:
 - May 15th in order to impact the January 1 rate
 - November 15th in order to impact the July 1 rate
- Make sure you also notify Myers & Stauffer timely about any change in beds
 - By July 31st for the January 1 rebase
 - By January 31st for the July 1 rebase



Other Updates:

- Pathways Dual Care
 - Pathways for Aging plans to align with Medicare D-SNP plans starting January 1, 2026
- Government shutdown
 - Could cause delays at CMS, but payments are considered mandatory spending
 - Reduced survey activity during this time



Update on Medicaid Rates & UPL

Update on Medicaid Rates & UPL

Rate-Setting Timeline

Sep 26, 2025	TQS	Quality Data for January 1, 2026 rates finalized.
Sep 30, 2025	Schedule Z	Due Date for Schedule of Special Facility Qualifications [Schedule Z] submission to determine eligibility effective January 1, 2026.
Nov 1, 2025	Rate Data	Finalization of rate parameter data to establish January 1, 2026 Medicaid reimbursement rates. Data includes: CMI data for 6-month period March 1, 2025 to August 31, 2025 and Quality Data.
Nov 14, 2025	Schedule Z	SCU & Vent facility determinations effective January 1, 2026 sent to providers, to Gainwell, and to the MCEs.
Nov 14, 2025	Rate Release	Release of January 1, 2026 Medicaid reimbursement rates to providers, to Gainwell, and to the MCEs.
Nov 26, 2025	Supp Pay *	Payment Letters and Agreements to NSGO entities and Private NFs for Q1 SFY 2026 Interim Supplemental Payment calculation (Target Date)
Dec 17, 2025	Supp Pay *	Gainwell payment to NSGO entities and Private NFs (FFS) for Q1 SFY 2026 Interim Supplemental Payment (Target Date)
Dec 24, 2025	Supp Pay *	MCEs payment to NSGO entities and Private NFs for Q1 SFY 2026 Interim Supplemental Payment (Target Date)
January 1, 2026	Rate Effective Date	Effective Date of New Medicaid Reimbursement Rates [50% Legacy System and 50% Prospective System reimbursement methodology]

Update on Medicaid Rates & UPL

Rate-Setting Timeline

Feb 27, 2026	Cost Report Review	Desk Reviews and Compliance Reviews completed for 2024 NF cost reports
Feb 27, 2026	Draft Reports	Latest date for M&S to release draft profiles or compliance review draft reports to providers to allow for reconsideration rights.
Mar 2, 2026	Supp Pay *	Payment Letters and Agreements to NSGO entities and Private NFs for Q2 SFY 2026 Interim Supplemental Payment calculation (Target Date)
Mar 18, 2026	Supp Pay *	Gainwell payment to NSGO entities and Private NFs (FFS) for Q2 SFY 2026 Interim Supplemental Payment (Target Date)
Mar 25, 2026	Supp Pay *	MCEs payment to NSGO entities and Private NFs for Q2 SFY 2026 Interim Supplemental Payment (Target Date)
Mar 27, 2026	TQS	Quality Data for July 1, 2026 rates finalized.

Update on Medicaid Rates & UPL

Rate-Setting Timeline

Mar 31, 2026	Cost Report Review	Finalization of cost report data to be used in July 1, 2026 rate calculations.
Mar 31, 2026	Schedule Z	Due Date for Schedule of Special Facility Qualifications [Schedule Z] submission to determine eligibility effective July 1, 2026.
May 1, 2026	Rate Data	Finalization of rate parameter data to establish July 1, 2026 Medicaid reimbursement rates. Data includes: Medians; Prices; CMI data for 6-month period September 1, 2025 to February 28, 2026; Quality Data; Rate Setting Tables
May 15, 2026	Schedule Z	SCU & Vent facility determinations effective July 1, 2026 sent to providers, to Gainwell, and to the MCEs.
May 15, 2026	Rate Release	Release of July 1, 2026 Medicaid reimbursement rates to providers, to Gainwell, and to the MCEs.

Update on Medicaid Rates & UPL

Transition to Managed Care Phase In Timeline

- Phase In of the Base Rate and UPL Changes:

	Base Rate		Supplemental Payments (Managed Care)		Supplemental Payments (FFS)	
	Legacy	Prospective	Legacy	Prospective	Legacy	Prospective
July 1, 2024	100%		79.3%	20.7%	90%	10%
January 1, 2025	83%	17%	79.3%	20.7%	90%	10%
July 1, 2025	67%	33%	60%	40%	60%	40%
January 1, 2026	50%	50%	60%	40%	60%	40%
July 1, 2026	33%	67%	30%	70%	30%	70%
January 1, 2027	17%	83%	30%	70%	30%	70%
July 1, 2027		100%		100%		100%

Update on Medicaid Rates & UPL

Transition to Managed Care Phase In Timeline

- Phase In of UPL & Quality Changes:

		Supplemental Payments			Quality Allocation	
		Legacy	Prospective		Prospective	
July 1, 2024 FFS		90%	10%			
July 1, 2024 Managed Care		79.3%	20.7%			
January 1, 2025 FFS		90%	10%		10%	
January 1, 2025 Managed Care		79.3%	20.7%		10%	
July 1, 2025		60%	40%		12%	
July 1, 2026		30%	70%		14%	
July 1, 2027			100%		16%	
July 1, 2028			100%		18%	
July 1, 2029			100%		20%	

Update on Medicaid Rates & UPL

UPL Program Changes

- Change in relationship between the base rate & UPL

LEGACY → Base rate & UPL → **Inverse** relationship

PROSPECTIVE → Base rate & UPL → **Direct** relationship

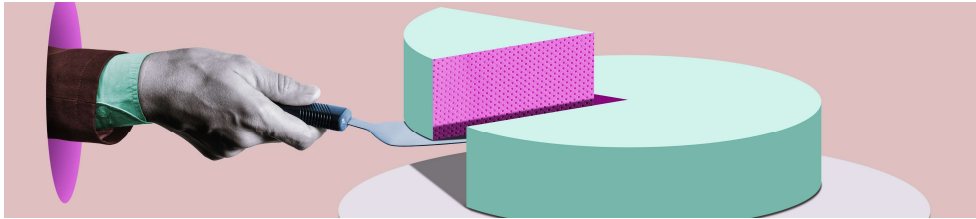
Update on Medicaid Rates & UPL

Transition from RUGS to PDPM

- The Optional State Assessment (OSA) and End-of-Therapy (EOT) reporting ended abruptly
- Impacts Medicaid Base Rates and UPL
- No official information has been released by the State yet, so this is all preliminary thoughts and opinions at this time.

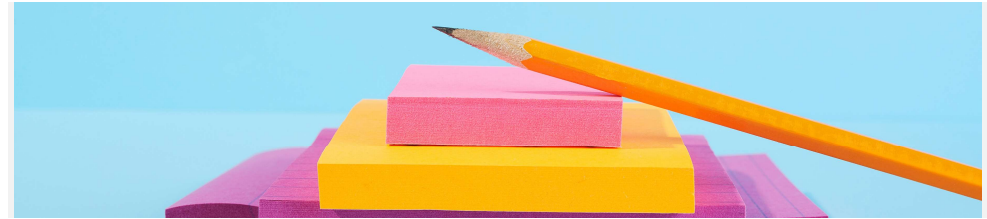
Update on Medicaid Rates & UPL

Transition from RUGS to PDPM



Impact to Medicaid Base Rates

- CMI data is only available through 8/31/25
- Potential CMI freeze for future rate-setting periods



Impact to UPL

- The State currently uses RUGs to determine what Medicare would have paid for services
- No information released to date on how they will calculate the UPL under PDPM

NTA Conditions NOT Included in the Nursing Component

- HIV/AIDS N/A (SNF claim)
- Lung Transplant Status
- Major Organ Transplant Status, Except Lung
- Bone/Joint/Muscle Infections/Necrosis - Except: Aseptic Necrosis of Bone
- Chronic Myeloid Leukemia
- Opportunistic Infections
- End-Stage Liver Disease
- Narcolepsy and Cataplexy
- Endocarditis
- Immune Disorders
- Specified Hereditary Metabolic/Immune Disorders
- Morbid Obesity
- Myelodysplastic Syndromes and Myelofibrosis
- Cystic Fibrosis
- Multi-Drug Resistant Organism (MDRO)
- Chronic Pancreatitis
- Proliferative Diabetic Retinopathy and Vitreous Hemorrhage
- Psoriatic Arthropathy and Systemic Sclerosis
- Aseptic Necrosis of Bone
- Cardio-Respiratory Failure and Shock
- Complications of Specified Implanted Device or Graft
- Bladder and Bowel Appliances: Intermittent Catheterization
- Intractable Epilepsy
- Systemic Lupus Erythematosus, Other Connective Tissue Disorders, and Inflammatory Spondylopathies
- Diabetic Retinopathy - Except: Proliferative Diabetic Retinopathy and Vitreous Hemorrhage
- Bladder and Bowel Appliances: Ostomy H0100C
- Respiratory Arrest
- Pulmonary Fibrosis and Other Chronic Lung Disorders
- Active Diagnoses: Malnutrition Code I5600
- Disorders of Immunity - Except: RxCC97: Immune Disorders
- Cirrhosis of Liver
- Malnutrition
- Inflammatory Bowel Disease

SLP Conditions NOT Included in the Nursing Component



- Aphasia
- CVA
- TBI
- Laryngeal CA
- Apraxia
- Dysphagia
- ALS
- Oral CA
- Speech and Language deficits
- Mechanically altered diet
- Swallowing problems
- Cognitive deficits

Update on Medicaid Rates & UPL

Average Commercial Rate (ACR)

- The SFY 2026 Q1 UPL payment has not been approved by CMS yet
- As a result, the Q1 payment typically paid in December could likely be delayed
- Only impacts SFY 2026 UPL payments

Items Impacting SNF Providers

Changes to State Directed Payments



Impact: Reduces state direct payment caps for certain Provider types where the ACR was higher than the Medicare rate

Section 71116 reduces the cap on state directed payments to 100% of Medicare for expansion states and 110% of Medicare for non-expansion states. (No longer allowed to use Average Commercial Rate as the cap.)

Items Impacting SNF Providers

Changes to Medicaid Eligibility



Impact: Increased risk of lost revenue from residents who are applying for Medicaid for the first time or those who lose eligibility during their stay

Section 71112 shortens the window for retroactive Medicaid eligibility for individuals.

Items Impacting SNF Providers

Changes to Medicaid Eligibility



Impact: Increased risk of lost revenue due to administrative hurdles, even for those who remain eligible

Section 71107 requires more frequent Medicaid eligibility redeterminations for individuals—every 6 months.

Contact

Forvis Mazars

Alex Craig, CPA

Senior Manager

P: 317.383.4041

Alex.Craig@us.forvismazars.com

Rick Mittman, CPA

Managing Director

P: 317.383.4263

Rick.Mittman@us.forvismazars.com

The information set forth in this presentation contains the analysis and conclusions of the author(s) based upon his/her/their research and analysis of industry information and legal authorities. Such analysis and conclusions should not be deemed opinions or conclusions by Forvis Mazars or the author(s) as to any individual situation as situations are fact-specific. The reader should perform their own analysis and form their own conclusions regarding any specific situation. Further, the author(s)' conclusions may be revised without notice with or without changes in industry information and legal authorities.

© 2025 Forvis Mazars, LLP. All rights reserved.

**forvis
mazars**