

February 20, 1998

ENGROSSED HOUSE BILL No. 1348

DIGEST OF HB 1348 (Updated February 19, 1998 9:25 am - DI 88)

Citations Affected: IC 5-14; IC 12-7; IC 12-15; IC 12-17.2; IC 12-26; IC 16-18; IC 16-35; noncode.

Synopsis: Medicaid eligibility and outreach. Increases for one year the family income eligibility standard for Medicaid for a child from age one year through 18 years of age to 150% of the federal income poverty level. Requires the office of Medicaid policy and planning to use all funds appropriated for outreach to conduct outreach activities to encourage children who are less than 19 years of age and who are eligible for Medicaid to enroll in the Medicaid program. Requires for one year that the office of Medicaid policy and planning provide Medicaid services to a child who is less than 19 years of age and who is eligible for Medicaid for 12 consecutive months from the date when the child's eligibility is determined or until the child becomes 19 years of age, whichever occurs first. Provides that certain entities may determine that a pregnant woman or child is presumptively eligible for Medicaid. Allows a child or pregnant woman to appoint an agent of the
(Continued next page)

Effective: Upon passage; July 1, 1998.

Crawford, Budak

(SENATE SPONSORS — JOHNSON, SIMPSON)

January 13, 1998, read first time and referred to Committee on Ways and Means.
January 26, 1998, amended, reported — Do Pass.
January 29, 1998, read second time, ordered engrossed. Engrossed.
February 3, 1998, read third time, recommitted to a Committee of One, amended; passed.
Yeas 94, nays 3. Engrossed.

SENATE ACTION

February 9, 1998, read first time and referred to Committee on Planning and Public Services.
February 19, 1998, amended, reported favorably — Do Pass.

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entity making a presumptive eligibility determination as the child's or pregnant woman's authorized representative for the purpose of completing all aspects of the Medicaid application process. Provides that Medicaid applications may be made at an enrollment center such as a hospital, school, or clinic. Requires enrollment centers to accept applications for Medicaid, conduct interviews with applicants, and provide each application and accompanying materials to the county office of family and children in the same county as the enrollment center at least once a week. Reestablishes the board for the coordination of child care regulation for the period beginning July 1, 1998, and ending July 1, 2000. Requires the board to study laws governing the regulation of child care and to make recommendations to the general assembly concerning changes in the law the board finds appropriate. Establishes an office of the children's health insurance program within the state department of health to obtain health services for eligible children. Allows the office to contract with providers of health insurance, including health maintenance organizations, limited services health maintenance organizations, and preferred provider plans, to provide health insurance or health services to children in the program. Requires the office to establish performance criteria and evaluation measures for providers. Establishes requirements a child must meet in order to enroll in the program. Provides a list of services for which the program must provide health insurance coverage. Provides other requirements under which the office and providers must operate. Requires the office, with the assistance of the office of Medicaid policy and planning, to apply for waivers from the Secretary of the United States Department of Health and Human Services that are required to implement the children's health insurance program. Requires the office to submit state plans outlining Indiana's initial and long term children's health insurance program to the Secretary of the United States Department of Health and Human Services. Provides that funds from the Medicaid indigent care trust fund may be used to provide the state's share of funds required to implement the children's health insurance program. Establishes a pilot program to allow political subdivisions to form a community care network for pooling and administering funds to be used in providing or arranging to provide health services and related items to the employees and residents of the political subdivisions.

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February 20, 1998

Second Regular Session 110th General Assembly (1998)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1997 General Assembly.

ENGROSSED HOUSE BILL No. 1348

A BILL FOR AN ACT to amend the Indiana Code concerning human services.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 5-14-3-2, AS AMENDED BY P.L.50-1995,
2 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 2. As used in this chapter:
4 "Copy" includes transcribing by handwriting, photocopying,
5 xerography, duplicating machine, duplicating electronically stored data
6 onto a disk, tape, drum, or any other medium of electronic data storage,
7 and reproducing by any other means.
8 "Direct cost" means one hundred five percent (105%) of the sum of
9 the cost of:
10 (1) the initial development of a program, if any;
11 (2) the labor required to retrieve electronically stored data; and
12 (3) any medium used for electronic output;
13 for providing a duplicate of electronically stored data onto a disk, tape,
14 drum, or other medium of electronic data retrieval under section 8(g)
15 of this chapter, or for reprogramming a computer system under section

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- 1 6(c) of this chapter.
- 2 "Electronic map" means copyrighted data provided by a public
- 3 agency from an electronic geographic information system.
- 4 "Enhanced access" means the inspection of a public record by a
- 5 person other than a governmental entity and that:
- 6 (1) is by means of an electronic device other than an electronic
- 7 device provided by a public agency in the office of the public
- 8 agency; or
- 9 (2) requires the compilation or creation of a list or report that does
- 10 not result in the permanent electronic storage of the information.
- 11 "Facsimile machine" means a machine that electronically transmits
- 12 exact images through connection with a telephone network.
- 13 "Inspect" includes the right to do the following:
- 14 (1) Manually transcribe and make notes, abstracts, or memoranda.
- 15 (2) In the case of tape recordings or other aural public records, to
- 16 listen and manually transcribe or duplicate, or make notes,
- 17 abstracts, or other memoranda from them.
- 18 (3) In the case of public records available:
- 19 (A) by enhanced access under section 3.5 of this chapter; or
- 20 (B) to a governmental entity under section 3(c)(2) of this
- 21 chapter;
- 22 to examine and copy the public records by use of an electronic
- 23 device.
- 24 (4) In the case of electronically stored data, to manually transcribe
- 25 and make notes, abstracts, or memoranda or to duplicate the data
- 26 onto a disk, tape, drum, or any other medium of electronic
- 27 storage.
- 28 "Investigatory record" means information compiled in the course of
- 29 the investigation of a crime.
- 30 "Patient" has the meaning set out in IC 16-18-2-272(c).
- 31 "Person" means an individual, a corporation, a limited liability
- 32 company, a partnership, an unincorporated association, or a
- 33 governmental entity.
- 34 "Provider" has the meaning set out in ~~IC 16-18-2-295(b)~~
- 35 **IC 16-18-2-295(c)** and includes employees of the state department of
- 36 health or local boards of health who create patient records at the
- 37 request of another provider or who are social workers and create
- 38 records concerning the family background of children who may need
- 39 assistance.
- 40 "Public agency" means the following:
- 41 (1) Any board, commission, department, division, bureau,
- 42 committee, agency, office, instrumentality, or authority, by

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1 whatever name designated, exercising any part of the executive,
2 administrative, judicial, or legislative power of the state.

3 (2) Any:

4 (A) county, township, school corporation, city, or town, or any
5 board, commission, department, division, bureau, committee,
6 office, instrumentality, or authority of any county, township,
7 school corporation, city, or town;

8 (B) political subdivision (as defined by IC 36-1-2-13); or

9 (C) other entity, or any office thereof, by whatever name
10 designated, exercising in a limited geographical area the
11 executive, administrative, judicial, or legislative power of the
12 state or a delegated local governmental power.

13 (3) Any entity or office that is subject to:

14 (A) budget review by either the state board of tax
15 commissioners or the governing body of a county, city, town,
16 township, or school corporation; or

17 (B) an audit by the state board of accounts.

18 (4) Any building corporation of a political subdivision that issues
19 bonds for the purpose of constructing public facilities.

20 (5) Any advisory commission, committee, or body created by
21 statute, ordinance, or executive order to advise the governing
22 body of a public agency, except medical staffs or the committees
23 of any such staff.

24 (6) Any law enforcement agency, which means an agency or a
25 department of any level of government that engages in the
26 investigation, apprehension, arrest, or prosecution of alleged
27 criminal offenders, such as the state police department, the police
28 or sheriff's department of a political subdivision, prosecuting
29 attorneys, members of the excise police division of the alcoholic
30 beverage commission, conservation officers of the department of
31 natural resources, and the security division of the state lottery
32 commission.

33 (7) Any license branch staffed by employees of the bureau of
34 motor vehicles commission under IC 9-16.

35 (8) The state lottery commission, including any department,
36 division, or office of the commission.

37 (9) The Indiana gaming commission established under IC 4-33,
38 including any department, division, or office of the commission.

39 (10) The Indiana horse racing commission established by IC 4-31,
40 including any department, division, or office of the commission.

41 "Public record" means any writing, paper, report, study, map,
42 photograph, book, card, tape recording, or other material that is

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1 created, received, retained, maintained, used, or filed by or with a
 2 public agency and which is generated on paper, paper substitutes,
 3 photographic media, chemically based media, magnetic or machine
 4 readable media, electronically stored data, or any other material,
 5 regardless of form or characteristics.

6 "Standard-sized documents" includes all documents that can be
 7 mechanically reproduced (without mechanical reduction) on paper
 8 sized eight and one-half (8 1/2) inches by eleven (11) inches or eight
 9 and one-half (8 1/2) inches by fourteen (14) inches.

10 "Trade secret" has the meaning set forth in IC 24-2-3-2.

11 "Work product of an attorney" means information compiled by an
 12 attorney in reasonable anticipation of litigation and includes the
 13 attorney's:

- 14 (1) notes and statements taken during interviews of prospective
 15 witnesses; and
 16 (2) legal research or records, correspondence, reports, or
 17 memoranda to the extent that each contains the attorney's
 18 opinions, theories, or conclusions.

19 This definition does not restrict the application of any exception under
 20 section 4 of this chapter.

21 SECTION 2. IC 12-7-2-22, AS AMENDED BY P.L.24-1997,
 22 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 23 JULY 1, 1998]: Sec. 22. "Board" means the following:

- 24 (1) For purposes of IC 12-10-10 and IC 12-10-11, the community
 25 and home options to institutional care for the elderly and disabled
 26 board established by IC 12-10-11-1.
 27 (2) For purposes of 12-12-7-5, the meaning set forth in
 28 IC 12-12-7-5.
 29 (3) For purposes of IC 12-15-35, the meaning set forth in
 30 IC 12-15-35-2.
 31 (4) For purposes of IC 12-17-2-36, the meaning set forth in
 32 IC 12-17-2-36(a).
 33 (5) For purposes of IC 12-17.2 and IC 12-17.4, the board for the
 34 coordination of child care regulation established by
 35 ~~IC 12-17.2-3-1.~~ **IC 12-17.2-3.1-1.**

36 SECTION 3. IC 12-7-2-154.8 IS ADDED TO THE INDIANA
 37 CODE AS A **NEW SECTION TO READ AS FOLLOWS**
 38 [EFFECTIVE JULY 1, 1998]: **Sec. 154.8. "Qualified entity", for**
 39 **purposes of IC 12-15-2.2, has the meaning set forth in**
 40 **IC 12-15-2.2-1.**

41 SECTION 4. IC 12-15-1-18 IS ADDED TO THE INDIANA CODE
 42 AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE

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1 UPON PASSAGE]: **Sec. 18. The office shall use all funds that are**
 2 **appropriated to the office for outreach purposes to conduct**
 3 **outreach activities in order to encourage children who are:**

- 4 (1) **less than nineteen (19) years of age;**
 5 (2) **eligible for Medicaid; and**
 6 (3) **not enrolled in the Medicaid program;**

7 **to apply for and enroll in the Medicaid program.**

8 SECTION 5. IC 12-15-2-15.6 IS ADDED TO THE INDIANA
 9 CODE AS A NEW SECTION TO READ AS FOLLOWS
 10 [EFFECTIVE JULY 1, 1998]: **Sec. 15.6. (a) Notwithstanding sections**
 11 **15 and 15.5 of this chapter, an individual:**

12 (1) **whose family income does not exceed one hundred fifty**
 13 **percent (150%) of the federal income poverty level for the**
 14 **same size family; and**

15 (2) **who is otherwise eligible for Medicaid under section 15 or**
 16 **15.5 of this chapter;**

17 **is eligible for Medicaid.**

18 (b) **The state's share of any treatment received by an individual**
 19 **who is eligible for Medicaid under this section is calculated under**
 20 **Section 1905(u) of the federal Social Security Act (42 U.S.C.**
 21 **1396d(u)).**

22 (c) **This section expires June 30, 1999.**

23 SECTION 6. IC 12-15-2-15.7 IS ADDED TO THE INDIANA
 24 CODE AS A NEW SECTION TO READ AS FOLLOWS
 25 [EFFECTIVE JULY 1, 1998]: **Sec. 15.7. (a) An individual who is less**
 26 **than nineteen (19) years of age and who is eligible for Medicaid**
 27 **under sections 14 through 15.6 of this chapter is eligible to receive**
 28 **Medicaid until the earlier of the following:**

29 (1) **The end of a period of twelve (12) consecutive months**
 30 **following a determination of the individual's eligibility for**
 31 **Medicaid.**

32 (2) **The individual becomes nineteen (19) years of age.**

33 (b) **This section expires June 30, 1999.**

34 SECTION 7. IC 12-15-2.2 IS ADDED TO THE INDIANA CODE
 35 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 36 JULY 1, 1998]:

37 **Chapter 2.2. Presumptive Eligibility for Pregnant Women and**
 38 **Children**

39 **Sec. 1. As used in this chapter, "qualified entity" means one (1)**
 40 **of the following:**

41 (1) **To determine presumptive eligibility for a pregnant**
 42 **woman, the term means an entity:**



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- 1 (A) that is eligible to receive payments and provide items
 2 and services under this article;
 3 (B) that provides outpatient hospital services, rural health
 4 clinic services and any other ambulatory services offered
 5 by a rural health clinic, or clinic services furnished by or
 6 under the direction of a licensed physician;
 7 (C) that meets all other requirements set forth in 42 U.S.C.
 8 1396r-1(b)(2)(D); and
 9 (D) that the office has determined is capable of making a
 10 determination that the family income of a pregnant woman
 11 does not exceed the income level of eligibility under
 12 IC 12-15-2.
- 13 (2) To determine presumptive eligibility for a child, the term
 14 means a provider that is eligible to receive payments under
 15 this article and is approved by the office or an entity that is
 16 authorized:
- 17 (A) to determine the eligibility of a child to:
 18 (i) participate in a Head Start program under 42 U.S.C.
 19 9831 et seq.;
- 20 (ii) receive child care services for which financial
 21 assistance is provided under the federal Child Care and
 22 Development Block Grant Act of 1990 (42 U.S.C. 9858 et
 23 seq.); or
 24 (iii) receive assistance under the women, infants, and
 25 children nutrition program (as defined in
 26 IC 16-35-1.5-5); and
- 27 (B) by the office to be capable of making a determination
 28 that the family income of a child does not exceed the
 29 income level of eligibility under IC 12-15-2.
- 30 Sec. 2. A qualified entity may establish the presumptive
 31 eligibility of an individual who may be eligible for:
 32 (1) Medicaid under IC 12-15-2-11 through IC 12-15-2-15.6; or
 33 (2) services from the children's health insurance program
 34 under IC 16-35-6.
- 35 Sec. 3. (a) An entity described in section 1(2) of this chapter may
 36 apply to the office, on a form provided by the office, for
 37 authorization to be a qualified entity under this chapter.
- 38 (b) Notwithstanding section 1(2) of this chapter and subsection
 39 (a), the office shall consider the following to be qualified entities:
 40 (1) A disproportionate share provider under IC 12-15-16-1(a).
 41 (2) An enhanced disproportionate share provider under
 42 IC 12-15-16-1(b).



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1 (3) A federally qualified health clinic.

2 (4) A rural health clinic.

3 **Sec. 4. The office shall provide each qualified entity with the**
4 **following:**

5 (1) Application forms for:

6 (A) Medicaid; and

7 (B) the children's health insurance program under
8 IC 16-35-6.

9 (2) Information on how to assist pregnant women, parents,
10 guardians, and other individuals in completing and filing the
11 application forms.

12 **Sec. 5. Subject to section 6(2) of this chapter, the office shall**
13 **provide Medicaid services to a child or pregnant woman during a**
14 **period that:**

15 (1) begins on the date on which a qualified entity determines
16 on the basis of preliminary information that the family
17 income of the child or pregnant woman does not exceed the
18 applicable family income level of eligibility for the child or
19 pregnant woman for Medicaid under IC 12-15-2; and

20 (2) ends on the earlier of the following:

21 (A) The date on which a determination is made by a
22 representative of the county office with respect to the
23 eligibility of the child or pregnant woman for Medicaid
24 under IC 12-15-2.

25 (B) The last day of the month following the month in which
26 the qualified entity makes the determination described in
27 subdivision (1).

28 **Sec. 6. A pregnant woman:**

29 (1) may only have a presumptive eligibility determination
30 made by an entity described in section 1(1) of this chapter;
31 and

32 (2) is eligible to receive only ambulatory prenatal care during
33 a period of presumptive eligibility.

34 **Sec. 7. A qualified entity that determines that a child or**
35 **pregnant woman is presumptively eligible for Medicaid shall do the**
36 **following:**

37 (1) Notify the office of the determination within five (5)
38 working days after the date on which the determination is
39 made.

40 (2) Inform:

41 (A) the parent, guardian, or custodian of the child; or

42 (B) the pregnant woman;

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1 at the time a determination is made that an application for
 2 Medicaid is required to be made at the county office in the
 3 county where the child or the pregnant woman resides or an
 4 enrollment center (as provided in IC 12-15-4-1) not later than
 5 the last day of the month following the month during which
 6 the determination is made.

7 **Sec. 8. If a child or pregnant woman is determined to be**
 8 **presumptively eligible for Medicaid under this chapter, the:**

- 9 (1) child's parent, guardian, or custodian; or
 10 (2) pregnant woman;

11 shall complete an application for Medicaid as provided in
 12 IC 12-15-4 not later than the last day of the month following the
 13 month during which the determination is made.

14 **Sec. 9. If a child or pregnant woman:**

- 15 (1) is determined to be presumptively eligible for Medicaid
 16 under this chapter; and
 17 (2) appoints, in writing, an agent of a qualified entity under
 18 section 3(b)(1) or 3(b)(2) of this chapter as the child's or
 19 pregnant woman's authorized representative for purposes of
 20 completing all aspects of the Medicaid application process;

21 the county office shall conduct any face-to-face interview with the
 22 child's or pregnant woman's authorized representative that is
 23 necessary to determine the child's or pregnant woman's eligibility
 24 for Medicaid.

25 **Sec. 10. If a child or pregnant woman is:**

- 26 (1) determined to be presumptively eligible for Medicaid
 27 under this chapter; and
 28 (2) subsequently determined not to be eligible for Medicaid;

29 a qualified entity under section 3(b)(1) or 3(b)(2) of this chapter
 30 that determined that the child or pregnant woman was
 31 presumptively eligible for Medicaid shall reimburse the office for
 32 all funds expended by the office in paying for care for the child or
 33 pregnant woman during the child's or pregnant woman's period of
 34 presumptive eligibility.

35 **Sec. 11. The office shall adopt rules under IC 4-22-2 to**
 36 **implement this chapter, including rules that may impose additional**
 37 **requirements for qualified entities that are consistent with federal**
 38 **regulations.**

39 SECTION 8. IC 12-15-4-1 IS AMENDED TO READ AS
 40 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 1. (a) An application
 41 or a request for Medicaid for an individual must be **made:**

- 42 (1) made to the county office of the county in which the applicant

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- 1 resides; and
- 2 (2) in the manner required by the office; and
- 3 (2) at one (1) of the following locations in the county where the
- 4 applicant resides:
- 5 (A) A hospital licensed under IC 16-21.
- 6 (B) The office of a provider who is eligible to receive
- 7 payments under this article.
- 8 (C) A public or private elementary or secondary school.
- 9 (D) A day care center licensed under IC 12-17.2.
- 10 (E) The county health department.
- 11 (F) A federally qualified health center (as defined in 42
- 12 U.S.C. 1396d(l)(2)(B)).
- 13 (G) A rural health clinic (as defined in 42 U.S.C.
- 14 1396d(l)(1)).
- 15 (H) The county office.
- 16 (I) Any other location approved by the office under
- 17 subsection (b).
- 18 (b) An entity described in subsection (a)(2) other than the
- 19 county office may do the following:
- 20 (1) Apply to the office, on a form provided by the office, for
- 21 authorization to serve as an enrollment center where
- 22 individuals may apply for Medicaid.
- 23 (2) Apply to the office of the children's health insurance
- 24 program under IC 16-35-6, on a form provided by that office,
- 25 for authorization to serve as an enrollment center where
- 26 individuals may apply to enroll in the children's health
- 27 insurance program.
- 28 (c) One (1) or more employees at each enrollment center shall
- 29 do the following:
- 30 (1) Accept applications for Medicaid and conduct interviews
- 31 with applicants during hours and days of the week agreed
- 32 upon by the office and the enrollment center.
- 33 (2) Accept applications for the children's health insurance
- 34 program and conduct interviews with applicants during hours
- 35 and days of the week agreed upon by the office of the
- 36 children's health insurance program and the enrollment
- 37 center.
- 38 (d) The office and the office of the children's health insurance
- 39 program shall provide each enrollment center with the materials
- 40 and training needed by the enrollment center to comply with this
- 41 section.
- 42 (e) An enrollment center shall provide:

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1 (1) each Medicaid application taken by the enrollment center;
 2 and
 3 (2) any accompanying materials;
 4 to the county office located in the same county as the enrollment
 5 center at least one (1) time each week by any reasonable means.
 6 The county office shall then make the final determination of an
 7 applicant's eligibility for Medicaid.

8 (f) An enrollment center shall provide:
 9 (1) each application for the children's health insurance
 10 program taken by the enrollment center; and
 11 (2) any accompanying materials;
 12 to the office of the children's health insurance program at least one
 13 (1) time each week by any reasonable means. The office of the
 14 children's health insurance program shall then make the final
 15 determination of an applicant's eligibility for the children's health
 16 insurance program.

17 SECTION 9. IC 12-17.2-3.1 IS ADDED TO THE INDIANA CODE
 18 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 19 JULY 1, 1998]:

20 **Chapter 3.1. Board for the Coordination of Child Care**
 21 **Regulation**

22 **Sec. 1. (a) The board for the coordination of child care**
 23 **regulation is established. The board consists of the following**
 24 **members:**

- 25 (1) One (1) employee of the division to be designated by the
 26 director of the division.
- 27 (2) One (1) employee of the state department of health to be
 28 designated by the commissioner of the state department of
 29 health.
- 30 (3) The state fire marshal or the state fire marshal's designee.
- 31 (4) Ten (10) members, not more than five (5) members from
 32 the same political party, to be appointed as follows:
- 33 (A) One (1) member with child development experience to
 34 represent the public.
- 35 (B) One (1) member to represent operators of foster family
 36 homes.
- 37 (C) Two (2) members to represent operators of child care
 38 homes.
- 39 (D) One (1) member to represent operators of child caring
 40 institutions.
- 41 (E) One (1) member to represent operators of group homes
 42 and child placing agencies.

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- 1 (F) One (1) member who is:
 2 (i) knowledgeable about the delivery of child care
 3 services to children; and
 4 (ii) not an owner or operator of a facility, a ministry, or
 5 an agency that is licensed or registered under this
 6 chapter.
 7 (G) Two (2) members to represent operators of child care
 8 centers.
 9 (H) One (1) member to represent child care ministries.
 10 (5) Two (2) members of the house of representatives, who may
 11 not be members of the same political party, to be appointed by
 12 and serve at the pleasure of the speaker of the house of
 13 representatives.
 14 (6) Two (2) members of the senate, who may not be members
 15 of the same political party, to be appointed by and serve at the
 16 pleasure of the president pro tempore of the senate.
 17 (b) The president pro tempore of the senate shall appoint the
 18 board members listed under subsection (a)(4)(A), (a)(4)(B), and
 19 (a)(4)(D), and one (1) member each under subsection (a)(4)(C) and
 20 (a)(4)(G).
 21 (c) The speaker of the house of representatives shall appoint the
 22 board members listed under subsection (a)(4)(E), (a)(4)(F), and
 23 (a)(4)(H), and one (1) member each under subsection (a)(4)(C) and
 24 (a)(4)(G).
 25 (d) At least one (1) of the members appointed under this section
 26 must have knowledge or expertise, or both, in the area of children
 27 with special needs.
 28 (e) The legislative council shall appoint the chairperson of the
 29 board from among the board's members.
 30 (f) The terms of the members expire November 1, 2000.
 31 Sec. 2. The board shall elect necessary officers from among the
 32 board's members.
 33 Sec. 3. The board shall meet upon the call of the chairperson.
 34 Sec. 4. At least nine (9) members must be present for the
 35 transaction of business.
 36 Sec. 5. The board may appoint subcommittees of the board's
 37 members to receive public testimony, visit facilities, and make
 38 recommendations to the full committee.
 39 Sec. 6. The legislative services agency shall provide staff support
 40 to the board.
 41 Sec. 7. Each member of the board who is not a member of the
 42 general assembly is entitled to reimbursement for traveling and



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1 other expenses actually incurred in connection with the member's
 2 duties, as provided in the state travel policies and procedures
 3 established by the Indiana department of administration and
 4 approved by the budget agency. Each member who is not a state
 5 employee is entitled to the minimum salary per diem as provided
 6 in IC 4-10-11-2.1(b).

7 **Sec. 8.** Each member of the board who is a member of the
 8 general assembly is entitled to receive the same per diem, mileage,
 9 and travel allowances paid to members of the general assembly
 10 serving on interim study committees established by the legislative
 11 council. Payments made to a member of the general assembly
 12 under this section shall be paid from funds appropriated to the
 13 legislative council and the legislative services agency for this
 14 purpose.

15 **Sec. 9. (a)** The board shall:

- 16 (1) study the laws governing the regulation of child care; and
- 17 (2) make recommendations to the general assembly
 18 concerning changes in the law that the board finds
 19 appropriate.

20 (b) Before November 1 of each year the board shall submit a
 21 written report to the legislative council that:

- 22 (1) identifies the board's recommendations; and
- 23 (2) discusses the status of the board's continuing program of
 24 study.

25 (c) The board's program of study under this section must
 26 include a study of the following topics:

- 27 (1) The need for changes in the scope and degree of child care
 28 regulation established by statute or rule, or both.
- 29 (2) The need to reorganize governmental units involved in
 30 regulating child care facilities to promote effective and
 31 efficient child care regulation, including the form that a
 32 needed reorganization should take.
- 33 (3) A method for completing a statewide needs assessment to
 34 determine the availability and projected need for safe and
 35 affordable child care.
- 36 (4) The need for programs to meet the needs of Indiana
 37 residents if the board determines that safe and affordable
 38 child care facilities are not available and easily accessible to
 39 Indiana residents.
- 40 (5) The effect of pending and enacted federal legislation on
 41 child care in Indiana and the need for statutory changes to:

- 42 (A) qualify for federal child care grants; and



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(B) comply with federal child care requirements.

Sec. 10. This chapter expires November 1, 2000.

SECTION 10. IC 12-26-2-5, AS AMENDED BY P.L.6-1995, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) This section applies under the following statutes:

- (1) IC 12-26-6.
- (2) IC 12-26-7.
- (3) IC 12-26-12.
- (4) IC 12-26-15.

(b) A petitioner may be represented by counsel.

(c) The court may appoint counsel for a petitioner upon a showing of the petitioner's indigency and the court shall pay for such counsel if appointed.

(d) A petitioner, including a petitioner who is a health care provider under ~~IC 16-18-2-295(b)~~, **IC 16-18-2-295(c)**, in the petitioner's individual capacity or as a corporation is not required to be represented by counsel. If a petitioner who is a corporation elects not to be represented by counsel, the individual representing the corporation at the commitment hearing must present the court with written authorization from:

- (1) an officer;
- (2) a director;
- (3) a principal; or
- (4) a manager;

of the corporation that authorizes the individual to represent the interest of the corporation in the proceedings.

(e) The petitioner is required to prove by clear and convincing evidence that:

- (1) the individual is mentally ill and either dangerous or gravely disabled; and
- (2) detention or commitment of that individual is appropriate.

SECTION 11. IC 16-18-2-255.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: **Sec. 255.5. "Office", for purposes of IC 16-35-6, has the meaning set forth in IC 16-35-6-1.**

SECTION 12. IC 16-18-2-282.2 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: **Sec. 282.2. "Physicians' services", for purposes of IC 16-35-6-18, has the meaning set forth in IC 16-35-6-18(a).**

SECTION 13. IC 16-18-2-295, AS AMENDED BY P.L.188-1995,

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1 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 UPON PASSAGE]: Sec. 295. (a) "Provider", for purposes of IC 16-25,
3 means a hospice program certified under IC 16-25-1.

4 **(b) "Provider", for purposes of IC 16-35-6, has the meaning set
5 forth in IC 16-35-6-2.**

6 ~~(b)~~ (c) "Provider", for purposes of IC 16-39 except for IC 16-39-7
7 and for purposes of IC 16-41-1 through IC 16-41-9, means any of the
8 following:

9 (1) An individual (other than an individual who is an employee or
10 a contractor of a hospital, a facility, or an agency described in
11 subdivision (2) or (3)) who is licensed, registered, or certified as
12 a health care professional, including the following:

- 13 (A) A physician.
- 14 (B) A psychotherapist.
- 15 (C) A dentist.
- 16 (D) A registered nurse.
- 17 (E) A licensed practical nurse.
- 18 (F) An optometrist.
- 19 (G) A podiatrist.
- 20 (H) A chiropractor.
- 21 (I) A physical therapist.
- 22 (J) A psychologist.
- 23 (K) An audiologist.
- 24 (L) A speech-language pathologist.
- 25 (M) A dietitian.
- 26 (N) An occupational therapist.
- 27 (O) A respiratory therapist.
- 28 (P) A pharmacist.

29 (2) A hospital or facility licensed under IC 16-21-2 or IC 12-25 or
30 described in IC 12-24-1 or IC 12-29.

31 (3) A health facility licensed under IC 16-28-2.

32 (4) A home health agency licensed under IC 16-27-1.

33 (5) An employer of a certified emergency medical technician, a
34 certified advanced emergency medical technician, or a certified
35 paramedic.

36 ~~(c)~~ (d) "Provider", for purposes of IC 16-39-7-1, has the meaning set
37 forth in IC 16-39-7-1(a).

38 SECTION 14. IC 16-35-6 IS ADDED TO THE INDIANA CODE
39 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
40 UPON PASSAGE]:

41 **Chapter 6. Children's Health Insurance Program**

42 **Sec. 1. As used in this chapter, "office" refers to the office of the**

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1 children's health insurance program established under this
2 chapter.

3 **Sec. 2. (a) As used in this chapter, "provider" means a person**
4 **who provides health insurance in Indiana. The term includes the**
5 **following:**

- 6 (1) A licensed insurance company.
- 7 (2) A health maintenance organization.
- 8 (3) A multiple employer welfare arrangement.
- 9 (4) A person providing a plan of health insurance subject to
10 state insurance law.

11 (b) For purposes of section 7(b) of this chapter, the term
12 includes a limited service health maintenance organization (as
13 defined in IC 27-13-34-4) and a preferred provider plan (as defined
14 in IC 27-8-11-1).

15 **Sec. 3. The children's health insurance program is established**
16 **within the state department.**

17 **Sec. 4. A child may apply at an enrollment center or at the office**
18 **of a qualified entity under IC 12-15-2.2 to receive health care**
19 **services if the child:**

- 20 (1) meets the qualifications described in section 12 of this
21 chapter; or
- 22 (2) receives health care services through the Hoosier
23 Healthwise program under IC 12-15.

24 **Sec. 5. A child shall receive the health care services described in**
25 **section 18 of this chapter regardless of whether the child is**
26 **described in section 4(1) of this chapter or section 4(2) of this**
27 **chapter.**

28 **Sec. 6. The office shall design and administer a system to obtain**
29 **health services for eligible children.**

30 **Sec. 7. (a) The office may contract with providers under IC 5-22**
31 **to provide health insurance or health services to a child who is**
32 **enrolled in the children's health insurance program. A contract**
33 **under this subsection must require a provider to do the following:**

- 34 (1) Serve as a qualified entity (as defined in IC 12-15-2.2-1) in
35 order to determine the presumptive eligibility for pregnant
36 women and children for Medicaid as provided in IC 12-15-2.2.
- 37 (2) Assist a presumptively eligible individual under
38 subdivision (1) to select a primary care provider.
- 39 (3) Establish locations where an applicant may apply to
40 receive services provided by the children's health insurance
41 program.
- 42 (4) Provide education concerning the following:



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- 1 (A) The responsible use of health facilities and
- 2 information.
- 3 (B) Preventive care.
- 4 (C) Parental responsibilities for a child's health care.
- 5 (5) Provide outreach and evaluation activities for the
- 6 children's health insurance program.
- 7 (b) The office may contract with providers to provide the
- 8 services described in section 18(c) of this chapter. A provider under
- 9 this subsection must:
- 10 (1) be eligible to receive reimbursement from the office; and
- 11 (2) comply with subsection (a)(3), (a)(4), and (a)(5).
- 12 Sec. 8. (a) The office shall establish performance criteria and
- 13 evaluation measures for a provider that the office contracts with
- 14 under section 7 of this chapter.
- 15 (b) The office shall assess monetary penalties on a provider that
- 16 fails to comply with the requirements of this chapter or a rule
- 17 adopted under this chapter.
- 18 Sec. 9. The office shall adopt a sliding scale formula that
- 19 specifies the premiums, if any, to be paid by the parent or guardian
- 20 of a child enrolled in the children's health insurance program
- 21 based on the parent's or guardian's annual income.
- 22 Sec. 10. (a) The office shall annually adjust the participation
- 23 requirements to reflect the amount of money available to obtain
- 24 health services for children enrolled in the children's health
- 25 insurance program.
- 26 (b) The office shall operate the children's health insurance
- 27 program within the amounts appropriated to the office.
- 28 Sec. 11. The office shall establish and administer a children's
- 29 health insurance program fund to provide premium assistance
- 30 from the state to children enrolled in the children's health
- 31 insurance program.
- 32 Sec. 12. In order to enroll in the children's health insurance
- 33 program, a child must meet the following requirements:
- 34 (1) The child and the child's family may not have access to
- 35 affordable health insurance through an employer.
- 36 (2) The child and the child's family may not have participated
- 37 in a health insurance program for at least one (1) year before
- 38 enrolling in the children's health insurance program.
- 39 (3) The child's family agrees to provide copayments for
- 40 services based on a sliding fee scale developed by the office.
- 41 Sec. 13. To be eligible to receive reimbursement from the office,
- 42 a provider shall offer health care services required by this chapter

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to an eligible child without:

- (1) regard to the child's health status; and
- (2) imposing a preexisting condition exclusion;

except that a preexisting condition exclusion may be applied if health care services are provided through a group health plan or group health insurance coverage, consistent with the limitations on imposing preexisting condition exclusions provided in state and federal law.

Sec. 14. Premium and cost sharing amounts established by the office are limited to the following:

(1) Deductibles, coinsurance, or other cost sharing are not permitted with respect to benefits for well-baby and well-child care, including age appropriate immunizations.

(2) For children whose family income is equal to or less than one hundred fifty percent (150%) of the federal income poverty level:

(A) premiums, enrollment fees, or similar charges may not exceed the maximum monthly charge permitted consistent with standards established to carry out section 1916(b)(1) of the federal Social Security Act (42 U.S.C. 301 et seq.); and

(B) deductibles and other cost sharing shall not exceed a nominal amount that is consistent with standards provided under Section 1916(a)(3) of the federal Social Security Act (42 U.S.C. 301 et seq.), as adjusted.

(3) For children whose family income is greater than one hundred fifty percent (150%) of the federal income poverty level, premiums, deductibles, and other cost sharing may be imposed on a sliding scale related to family income. However, the annual aggregate cost sharing with respect to all children in a family under this chapter may not exceed five percent (5%) of the family's income for the year.

Sec. 15. Providers shall use existing health insurance sales and marketing methods, including the use of agents and payment of commissions, to inform families of the availability of the children's health insurance program and assist families in obtaining health insurance and health services for children under the children's health insurance program.

Sec. 16. A child who is eligible to participate in the children's health insurance program is eligible for coverage with a participating plan regardless of the child's health status.

Sec. 17. (a) A child who is participating in the children's health

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1 insurance program may change between participating plans only
2 during an annual coverage renewal period, unless the child moves
3 outside of the geographic service area of the participating plan in
4 which the child is enrolled.

5 (b) A child who moves to an area outside the geographic service
6 area of the participating plan in which the child is enrolled shall
7 provide notice to the participating plan at least sixty (60) days
8 before the child may change participating plans.

9 Sec. 18. (a) As used in this section, "physicians' services" has the
10 meaning set forth in 42 U.S.C. 1395x(q).

11 (b) The office shall offer health insurance coverage for the
12 following basic services:

- 13 (1) Inpatient and outpatient hospital services.
- 14 (2) Physicians' services.
- 15 (3) Laboratory and x-ray services.
- 16 (4) Well-baby and well-child care, including age appropriate
17 immunizations.

18 (c) The office shall offer health insurance coverage for the
19 following additional services if the coverage for the services has an
20 actuarial value equal to the actuarial value of the services provided
21 by the benchmark program for the following:

- 22 (1) Coverage of prescription drugs.
- 23 (2) Mental health services.
- 24 (3) Vision services.
- 25 (4) Hearing services.
- 26 (5) Dental services.

27 (d) Notwithstanding subsections (b) and (c), the office shall offer
28 health insurance coverage for the same services provided under the
29 early and periodic screening, diagnosis, and treatment program
30 (EPSDT) under IC 12-15.

31 (e) Notwithstanding subsections (b), (c), and (d), the office may
32 not impose treatment limitations or financial requirements on the
33 coverage of services for a mental illness if similar treatment
34 limitations or financial requirements are not imposed on coverage
35 for services for other illnesses.

36 Sec. 19. The office shall do the following:

- 37 (1) Establish a penalty to be paid by the following:
 - 38 (A) An insurer, insurance agent, or insurance broker, for
39 knowingly or intentionally referring an insured or the
40 dependent of an insured to the children's health insurance
41 program in order to receive health care when the insured
42 receives health insurance through an employer's health

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- care plan that is underwritten by the insurer.
- (B) An employer, for knowingly or intentionally referring an employee or the dependent of an employee to the children's health insurance program in order to receive health care when the employee receives health insurance through the employer's health care plan.
- (C) An employer that knowingly or intentionally changes the terms of coverage for or premiums paid by an employee in order to force an employee or the dependent of an employee to apply to the children's health insurance program in order to receive health care.
- (2) Create standards to minimize the incentive for:
 - (A) an employer to eliminate or reduce health care coverage for an employee's dependents; or
 - (B) an individual to eliminate or reduce health care coverage for a dependent of the individual.

Sec. 20. The office of the secretary of family and social services shall provide information and assistance to the office as requested by the office.

Sec. 21. Not later than March 1 of each year, the office shall provide a report describing the office's activities during the preceding calendar year to the state budget committee.

Sec. 22. The office shall adopt rules under IC 4-22-2 to implement this chapter.

SECTION 15. [EFFECTIVE UPON PASSAGE] (a) As used in this SECTION, "office" refers to the office of the children's health insurance program under IC 16-35-6, as added by this act.

(b) The office, with the assistance of the office of Medicaid policy and planning, shall apply under Section 1115 of the federal Social Security Act to the Secretary of the United States Department of Health and Human Services for any waivers required to implement the children's health insurance program. The intent of a waiver under this SECTION is to allow the state to offer the same health care services to children who enroll in the children's health insurance program and to children who currently receive health care services under the Medicaid program.

(c) This SECTION expires January 1, 2001.

SECTION 16. [EFFECTIVE UPON PASSAGE] (a) As used in this SECTION, "office" refers to the office of the children's health insurance program under IC 16-35-6, as added by this act.

(b) The office shall submit a state plan outlining Indiana's initial children's health insurance program to the Secretary of the United

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1 States Department of Health and Human Services before July 1,
2 1998.

3 (c) The office shall amend the state plan outlining Indiana's
4 children's health insurance program to describe a children's health
5 insurance program, including the elements required under
6 IC 16-35-6, as added by this act, before April 1, 1999. The state
7 plan amendment required under this SECTION must include
8 identification of the benchmark program that will be used by the
9 office, as provided in IC 16-35-6-18, as added by this act.

10 (d) The state may transfer funds from the Medicaid indigent
11 care trust fund under IC 12-15-20 to pay for the state's share of
12 funds required to receive federal financial participation under the
13 program.

14 (e) This SECTION expires January 1, 2003.

15 SECTION 17. [EFFECTIVE JULY 1, 1998] (a) This SECTION
16 does not apply to services provided by a facility licensed under
17 IC 16-28.

18 (b) As used in this SECTION, "community care network"
19 means a system of providing or arranging for health services and
20 related items for the residents of a community within the needs and
21 resources of the community.

22 (c) As used in this SECTION, "political subdivision" has the
23 meaning set forth in IC 34-4-16.5-2.

24 (d) One (1) or more political subdivisions may elect to
25 participate in a pilot program under this SECTION by forming a
26 community care network for the purpose of pooling and
27 administering funds to be used in providing or arranging to
28 provide health services and related items to at least one (1) of the
29 following groups:

- 30 (1) The employees of the political subdivisions.
- 31 (2) Enrollees whose health services and items are provided
- 32 under IC 12-15, if approved by the office of the secretary.
- 33 (3) The enrollees of the children's health insurance program
- 34 under IC 16-35-6.
- 35 (4) The employees of private employers, if appropriate.
- 36 (5) Other groups of residents approved for inclusion by the
- 37 board of directors as provided under subsection (f).

38 (e) A community care network is authorized to pool funds
39 provided to the community care network by:

- 40 (1) the political subdivisions participating in the community
- 41 care network;
- 42 (2) private employers;



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- 1 (3) state and federal entities;
- 2 (4) grants; and
- 3 (5) any other source;
- 4 **for financing and arranging to provide health services and related**
- 5 **items to the employees and residents of the political subdivisions.**
- 6 **(f) A community care network is governed by a board of**
- 7 **directors.**
- 8 **(g) A board of directors must have an odd number of members**
- 9 **that is not less than five (5) members but not more than eleven (11)**
- 10 **members.**
- 11 **(h) Members of a board of directors must include the following:**
- 12 **(1) Representatives of the political subdivisions establishing**
- 13 **the community care network.**
- 14 **(2) Representatives of the employees of the political**
- 15 **subdivisions establishing the community care network.**
- 16 **(3) Representatives of the residents, if applicable, of the**
- 17 **political subdivisions establishing the community care**
- 18 **network.**
- 19 **(4) Representatives of providers that will provide health**
- 20 **services and related items to individuals receiving health care**
- 21 **through the community care network.**
- 22 **The political subdivisions establishing the community care network**
- 23 **must agree to the number of representatives under subdivisions (1)**
- 24 **through (4).**
- 25 **(i) Each member of a board of directors must have**
- 26 **demonstrated expertise in health care financing or health care**
- 27 **delivery systems, or both.**
- 28 **(j) The executives of the political subdivisions establishing the**
- 29 **community care network must:**
- 30 **(1) agree to the number of members each executive may**
- 31 **appoint; and**
- 32 **(2) after reaching agreement under subdivision (1), appoint**
- 33 **members;**
- 34 **to the board of directors.**
- 35 **(k) The board of directors of each community care network**
- 36 **shall establish a community care network fund to pay for health**
- 37 **services and related items for participants in the network.**
- 38 **(l) The board of directors shall establish guidelines for the**
- 39 **community care network that include the following:**
- 40 **(1) Quality assurance.**
- 41 **(2) Benefit levels.**
- 42 **(3) Improved access to health care.**

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- 1 (4) Cost containment through early intervention.
 2 (5) Medical staff expertise.
 3 (6) Coordination of community resources.
 4 (7) Community, parental, and school involvement.
 5 (m) A community care network must be approved annually by:
 6 (1) the department of insurance; and
 7 (2) the office of the secretary of family and social services.
 8 (n) The department of insurance must certify that a community
 9 care network possesses necessary financial reserves.
 10 (o) A community care network may contract with:
 11 (1) an accident and sickness insurance company, including
 12 reimbursement agreements under IC 27-8-11;
 13 (2) a health care provider (as defined in IC 27-12-2-14); or
 14 (3) a nonprofit agency that provides health care services;
 15 to provide or arrange for the provision of health services and items
 16 for the employees and residents of the political subdivisions
 17 establishing the community care network.
 18 (p) A contract under subsection (o) may be awarded only after
 19 the community care network uses a public bidding process for the
 20 contract.
 21 (q) A community care network established under this
 22 SECTION:
 23 (1) may contract with the state to provide services under
 24 IC 12-14, IC 12-15, and IC 16-35-6; and
 25 (2) is a body corporate and politic.
 26 (r) A plan of self-insurance must include an aggregate stop-loss
 27 provision.
 28 (s) The political subdivisions establishing the community care
 29 network:
 30 (1) shall appropriate to the community care network funds
 31 necessary to provide health services and related items for
 32 employees of the political subdivisions; and
 33 (2) may appropriate funds for health services and items
 34 provided to other residents of the political subdivisions.
 35 (t) If Medicaid funds are used by a community care network to
 36 pay for health services and related items, the office of Medicaid
 37 policy and planning:
 38 (1) shall assure that patients served by federally qualified
 39 health centers, rural health clinics, and other primary care
 40 providers that target uninsured or Medicaid patients have
 41 equal or better access to comprehensive quality primary care
 42 services; and



- 1 (2) may apply to the Secretary of the United States
2 Department of Health and Human Services for any waivers
3 necessary to implement this SECTION.
- 4 (u) If the office of Medicaid policy and planning seeks a waiver
5 under IC 12-15 to establish a managed care program or other
6 demonstration project, the office of Medicaid policy and planning
7 shall not seek a waiver of:
- 8 (1) federally qualified health centers and rural health clinic
9 services as mandatory Medicaid services under:
- 10 (A) 42 U.S.C. 1396a(10)(A);
11 (B) 42 U.S.C. 1396d(a)(2)(B); and
12 (C) 42 U.S.C. 1396d(a)(2)(C); or
- 13 (2) reasonable cost reimbursement for federally qualified
14 health centers and rural health clinics under 42 U.S.C.
15 1396a(a)(13)(E).
- 16 (v) A community care network established under this SECTION
17 shall file a report with the department of insurance and the office
18 of the secretary of family and social services not later than March
19 1 of each year that provides information about the community care
20 network during the preceding calendar year that is requested by
21 the department of insurance and the office of the secretary of
22 family and social services.
- 23 (w) Not later than January 1, 2002, the department of insurance
24 and the office of the secretary of family and social services shall
25 begin to evaluate the community care networks established under
26 this SECTION.
- 27 (x) Not later than November 1, 2002, the department of
28 insurance and the office of the secretary of family and social
29 services shall report to the legislative council and the governor
30 regarding whether community care networks should be established
31 legislatively on an ongoing basis.
- 32 (y) A community care network may not begin operation before
33 January 1, 1999.
- 34 (z) This SECTION expires January 1, 2003.
- 35 SECTION 18. An emergency is declared for this act.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1348, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 10, delete "two hundred" and insert "**one hundred fifty**".

Page 1, line 11, delete "(200%)" and insert "**(150%)**".

and when so amended that said bill do pass.

(Reference is to House Bill 1348 as introduced.)

BAUER, Chair

Committee Vote: yeas 22, nays 1.

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HOUSE MOTION

Mr. Speaker: I move that House Bill 1348 be recommitted to a Committee of One, its author, with specific instructions to amend as follows:

Page 2, line 3, delete "Title XXI" and insert "**Section 1905(u)**".

Page 2, line 3, delete "42 U.S.C. 1396aa et" and insert "**42 U.S.C. 1396d(u)**".

Page 2, delete line 4.

(Reference is to House Bill 1348 as printed January 27, 1998.)

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COMMITTEE REPORT

Mr. Speaker: Your Committee of One, to which was referred Engrossed House Bill 1348, begs leave to report that said bill has been amended as directed.

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COMMITTEE REPORT

Mr. President: The Senate Committee on Planning and Public Services, to which was referred House Bill 1348, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Delete the amendment made by the committee report of the committee of one adopted February 3, 1998.

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 5-14-3-2, AS AMENDED BY P.L.50-1995, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. As used in this chapter:

"Copy" includes transcribing by handwriting, photocopying, xerography, duplicating machine, duplicating electronically stored data onto a disk, tape, drum, or any other medium of electronic data storage, and reproducing by any other means.

"Direct cost" means one hundred five percent (105%) of the sum of the cost of:

- (1) the initial development of a program, if any;
- (2) the labor required to retrieve electronically stored data; and
- (3) any medium used for electronic output;

for providing a duplicate of electronically stored data onto a disk, tape, drum, or other medium of electronic data retrieval under section 8(g) of this chapter, or for reprogramming a computer system under section 6(c) of this chapter.

"Electronic map" means copyrighted data provided by a public agency from an electronic geographic information system.

"Enhanced access" means the inspection of a public record by a person other than a governmental entity and that:

- (1) is by means of an electronic device other than an electronic device provided by a public agency in the office of the public agency; or
- (2) requires the compilation or creation of a list or report that does not result in the permanent electronic storage of the information.

"Facsimile machine" means a machine that electronically transmits exact images through connection with a telephone network.

"Inspect" includes the right to do the following:

- (1) Manually transcribe and make notes, abstracts, or memoranda.
- (2) In the case of tape recordings or other aural public records, to listen and manually transcribe or duplicate, or make notes, abstracts, or other memoranda from them.

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(3) In the case of public records available:

- (A) by enhanced access under section 3.5 of this chapter; or
- (B) to a governmental entity under section 3(c)(2) of this chapter;

to examine and copy the public records by use of an electronic device.

(4) In the case of electronically stored data, to manually transcribe and make notes, abstracts, or memoranda or to duplicate the data onto a disk, tape, drum, or any other medium of electronic storage.

"Investigatory record" means information compiled in the course of the investigation of a crime.

"Patient" has the meaning set out in IC 16-18-2-272(c).

"Person" means an individual, a corporation, a limited liability company, a partnership, an unincorporated association, or a governmental entity.

"Provider" has the meaning set out in ~~IC 16-18-2-295(b)~~ **IC 16-18-2-295(c)** and includes employees of the state department of health or local boards of health who create patient records at the request of another provider or who are social workers and create records concerning the family background of children who may need assistance.

"Public agency" means the following:

- (1) Any board, commission, department, division, bureau, committee, agency, office, instrumentality, or authority, by whatever name designated, exercising any part of the executive, administrative, judicial, or legislative power of the state.
- (2) Any:
 - (A) county, township, school corporation, city, or town, or any board, commission, department, division, bureau, committee, office, instrumentality, or authority of any county, township, school corporation, city, or town;
 - (B) political subdivision (as defined by IC 36-1-2-13); or
 - (C) other entity, or any office thereof, by whatever name designated, exercising in a limited geographical area the executive, administrative, judicial, or legislative power of the state or a delegated local governmental power.
- (3) Any entity or office that is subject to:
 - (A) budget review by either the state board of tax commissioners or the governing body of a county, city, town, township, or school corporation; or
 - (B) an audit by the state board of accounts.



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(4) Any building corporation of a political subdivision that issues bonds for the purpose of constructing public facilities.

(5) Any advisory commission, committee, or body created by statute, ordinance, or executive order to advise the governing body of a public agency, except medical staffs or the committees of any such staff.

(6) Any law enforcement agency, which means an agency or a department of any level of government that engages in the investigation, apprehension, arrest, or prosecution of alleged criminal offenders, such as the state police department, the police or sheriff's department of a political subdivision, prosecuting attorneys, members of the excise police division of the alcoholic beverage commission, conservation officers of the department of natural resources, and the security division of the state lottery commission.

(7) Any license branch staffed by employees of the bureau of motor vehicles commission under IC 9-16.

(8) The state lottery commission, including any department, division, or office of the commission.

(9) The Indiana gaming commission established under IC 4-33, including any department, division, or office of the commission.

(10) The Indiana horse racing commission established by IC 4-31, including any department, division, or office of the commission.

"Public record" means any writing, paper, report, study, map, photograph, book, card, tape recording, or other material that is created, received, retained, maintained, used, or filed by or with a public agency and which is generated on paper, paper substitutes, photographic media, chemically based media, magnetic or machine readable media, electronically stored data, or any other material, regardless of form or characteristics.

"Standard-sized documents" includes all documents that can be mechanically reproduced (without mechanical reduction) on paper sized eight and one-half (8 1/2) inches by eleven (11) inches or eight and one-half (8 1/2) inches by fourteen (14) inches.

"Trade secret" has the meaning set forth in IC 24-2-3-2.

"Work product of an attorney" means information compiled by an attorney in reasonable anticipation of litigation and includes the attorney's:

- (1) notes and statements taken during interviews of prospective witnesses; and
- (2) legal research or records, correspondence, reports, or memoranda to the extent that each contains the attorney's



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opinions, theories, or conclusions.

This definition does not restrict the application of any exception under section 4 of this chapter.

SECTION 2. IC 12-7-2-22, AS AMENDED BY P.L.24-1997, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 22. "Board" means the following:

- (1) For purposes of IC 12-10-10 and IC 12-10-11, the community and home options to institutional care for the elderly and disabled board established by IC 12-10-11-1.
- (2) For purposes of 12-12-7-5, the meaning set forth in IC 12-12-7-5.
- (3) For purposes of IC 12-15-35, the meaning set forth in IC 12-15-35-2.
- (4) For purposes of IC 12-17-2-36, the meaning set forth in IC 12-17-2-36(a).
- (5) For purposes of IC 12-17.2 and IC 12-17.4, the board for the coordination of child care regulation established by ~~IC 12-17-2-3-1.~~ **IC 12-17.2-3.1-1.**"

Page 1, between lines 5 and 6, begin a new paragraph and insert:

"SECTION 4. IC 12-15-1-18 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 18. The office shall use all funds that are appropriated to the office for outreach purposes to conduct outreach activities in order to encourage children who are:**

- (1) **less than nineteen (19) years of age;**
- (2) **eligible for Medicaid; and**
- (3) **not enrolled in the Medicaid program;**

to apply for and enroll in the Medicaid program."

Page 1, line 9, delete "14, 15," and insert "**15**".

Page 1, line 13, delete "14, 15," and insert "**15**".

Page 2, line 3, delete "Title XXI" and insert "**Section 1905(u)**".

Page 2, line 3, delete "42 U.S.C. 1396aa et" and insert "**42 U.S.C. 1396d(u)**".

Page 2, delete line 4.

Page 2, between lines 5 and 6, begin a new paragraph and insert:

"SECTION 6. IC 12-15-2-15.7 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: **Sec. 15.7. (a) An individual who is less than nineteen (19) years of age and who is eligible for Medicaid under sections 14 through 15.6 of this chapter is eligible to receive Medicaid until the earlier of the following:**

- (1) **The end of a period of twelve (12) consecutive months**



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following a determination of the individual's eligibility for Medicaid.

(2) The individual becomes nineteen (19) years of age.

(b) This section expires June 30, 1999."

Page 2, line 9, delete "Outreach Efforts" and insert "**Presumptive Eligibility for Pregnant Women and Children**".

Page 2, line 10, delete "an" and insert "**one (1) of the following:**

(1) To determine presumptive eligibility for a pregnant woman, the term means an entity:

(A) that is eligible to receive payments and provide items and services under this article;

(B) that provides outpatient hospital services, rural health clinic services and any other ambulatory services offered by a rural health clinic, or clinic services furnished by or under the direction of a licensed physician;

(C) that meets all other requirements set forth in 42 U.S.C. 1396r-1(b)(2)(D); and

(D) that the office has determined is capable of making a determination that the family income of a pregnant woman does not exceed the income level of eligibility under IC 12-15-2.

(2) To determine presumptive eligibility for a child, the term means a provider that is eligible to receive payments under this article and is approved by the office or an entity that is authorized:

(A) to determine the eligibility of a child to:

(i) participate in a Head Start program under 42 U.S.C. 9831 et seq.;

(ii) receive child care services for which financial assistance is provided under the federal Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.); or

(iii) receive assistance under the women, infants, and children nutrition program (as defined in IC 16-35-1.5-5); and

(B) by the office to be capable of making a determination that the family income of a child does not exceed the income level of eligibility under IC 12-15-2."

Page 2, delete lines 11 through 13.

Page 2, line 14, delete "(a) The office of the secretary shall initiate efforts to" and insert "**A qualified entity may establish the presumptive eligibility of an individual who may be eligible for:**



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- (1) Medicaid under IC 12-15-2-11 through IC 12-15-2-15.6; or
- (2) services from the children's health insurance program under IC 16-35-6.

Sec. 3. (a) An entity described in section 1(2) of this chapter may apply to the office, on a form provided by the office, for authorization to be a qualified entity under this chapter.

(b) Notwithstanding section 1(2) of this chapter and subsection (a), the office shall consider the following to be qualified entities:

- (1) A disproportionate share provider under IC 12-15-16-1(a).
- (2) An enhanced disproportionate share provider under IC 12-15-16-1(b).
- (3) A federally qualified health clinic.
- (4) A rural health clinic.

Sec. 4. The office shall provide each qualified entity with the following:

- (1) Application forms for:
 - (A) Medicaid; and
 - (B) the children's health insurance program under IC 16-35-6.
- (2) Information on how to assist pregnant women, parents, guardians, and other individuals in completing and filing the application forms.

Sec. 5. Subject to section 6(2) of this chapter, the office shall provide Medicaid services to a child or pregnant woman during a period that:

- (1) begins on the date on which a qualified entity determines on the basis of preliminary information that the family income of the child or pregnant woman does not exceed the applicable family income level of eligibility for the child or pregnant woman for Medicaid under IC 12-15-2; and
- (2) ends on the earlier of the following:
 - (A) The date on which a determination is made by a representative of the county office with respect to the eligibility of the child or pregnant woman for Medicaid under IC 12-15-2.
 - (B) The last day of the month following the month in which the qualified entity makes the determination described in subdivision (1).

Sec. 6. A pregnant woman:

- (1) may only have a presumptive eligibility determination made by an entity described in section 1(1) of this chapter; and

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(2) is eligible to receive only ambulatory prenatal care during a period of presumptive eligibility.

Sec. 7. A qualified entity that determines that a child or pregnant woman is presumptively eligible for Medicaid shall do the following:

(1) Notify the office of the determination within five (5) working days after the date on which the determination is made.

(2) Inform:

(A) the parent, guardian, or custodian of the child; or

(B) the pregnant woman;

at the time a determination is made that an application for Medicaid is required to be made at the county office in the county where the child or the pregnant woman resides or an enrollment center (as provided in IC 12-15-4-1) not later than the last day of the month following the month during which the determination is made.

Sec. 8. If a child or pregnant woman is determined to be presumptively eligible for Medicaid under this chapter, the:

(1) child's parent, guardian, or custodian; or

(2) pregnant woman;

shall complete an application for Medicaid as provided in IC 12-15-4 not later than the last day of the month following the month during which the determination is made.

Sec. 9. If a child or pregnant woman:

(1) is determined to be presumptively eligible for Medicaid under this chapter; and

(2) appoints, in writing, an agent of a qualified entity under section 3(b)(1) or 3(b)(2) of this chapter as the child's or pregnant woman's authorized representative for purposes of completing all aspects of the Medicaid application process;

the county office shall conduct any face-to-face interview with the child's or pregnant woman's authorized representative that is necessary to determine the child's or pregnant woman's eligibility for Medicaid.

Sec. 10. If a child or pregnant woman is:

(1) determined to be presumptively eligible for Medicaid under this chapter; and

(2) subsequently determined not to be eligible for Medicaid; a qualified entity under section 3(b)(1) or 3(b)(2) of this chapter that determined that the child or pregnant woman was presumptively eligible for Medicaid shall reimburse the office for

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all funds expended by the office in paying for care for the child or pregnant woman during the child's or pregnant woman's period of presumptive eligibility.

Sec. 11. The office shall adopt rules under IC 4-22-2 to implement this chapter, including rules that may impose additional requirements for qualified entities that are consistent with federal regulations."

Page 2, delete lines 15 through 38.

Page 2, line 41, delete ":" and insert "**made:**".

Page 2, delete line 42, begin a new line block indented and insert:
"(1) **made to the county office of the county in which the applicant resides; and**

(2) in the manner required by the office; and

(2) at one (1) of the following locations in the county where the applicant resides:

(A) A hospital licensed under IC 16-21.

(B) The office of a provider who is eligible to receive payments under this article.

(C) A public or private elementary or secondary school.

(D) A day care center licensed under IC 12-17.2.

(E) The county health department.

(F) A federally qualified health center (as defined in 42 U.S.C. 1396d(l)(2)(B)).

(G) A rural health clinic (as defined in 42 U.S.C. 1396d(l)(1)).

(H) The county office.

(I) Any other location approved by the office under subsection (b).

(b) An entity described in subsection (a)(2) other than the county office may do the following:

(1) Apply to the office, on a form provided by the office, for authorization to serve as an enrollment center where individuals may apply for Medicaid.

(2) Apply to the office of the children's health insurance program under IC 16-35-6, on a form provided by that office, for authorization to serve as an enrollment center where individuals may apply to enroll in the children's health insurance program.

(c) One (1) or more employees at each enrollment center shall do the following:

(1) Accept applications for Medicaid and conduct interviews with applicants during hours and days of the week agreed

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upon by the office and the enrollment center.

(2) Accept applications for the children's health insurance program and conduct interviews with applicants during hours and days of the week agreed upon by the office of the children's health insurance program and the enrollment center.

(d) The office and the office of the children's health insurance program shall provide each enrollment center with the materials and training needed by the enrollment center to comply with this section.

(e) An enrollment center shall provide:

- (1) each Medicaid application taken by the enrollment center; and
- (2) any accompanying materials;

to the county office located in the same county as the enrollment center at least one (1) time each week by any reasonable means. The county office shall then make the final determination of an applicant's eligibility for Medicaid.

(f) An enrollment center shall provide:

- (1) each application for the children's health insurance program taken by the enrollment center; and
- (2) any accompanying materials;

to the office of the children's health insurance program at least one (1) time each week by any reasonable means. The office of the children's health insurance program shall then make the final determination of an applicant's eligibility for the children's health insurance program.

SECTION 9. IC 12-17.2-3.1 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]:

Chapter 3.1. Board for the Coordination of Child Care Regulation

Sec. 1. (a) The board for the coordination of child care regulation is established. The board consists of the following members:

- (1) One (1) employee of the division to be designated by the director of the division.
- (2) One (1) employee of the state department of health to be designated by the commissioner of the state department of health.
- (3) The state fire marshal or the state fire marshal's designee.
- (4) Ten (10) members, not more than five (5) members from



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the same political party, to be appointed as follows:

- (A) One (1) member with child development experience to represent the public.
 - (B) One (1) member to represent operators of foster family homes.
 - (C) Two (2) members to represent operators of child care homes.
 - (D) One (1) member to represent operators of child caring institutions.
 - (E) One (1) member to represent operators of group homes and child placing agencies.
 - (F) One (1) member who is:
 - (i) knowledgeable about the delivery of child care services to children; and
 - (ii) not an owner or operator of a facility, a ministry, or an agency that is licensed or registered under this chapter.
 - (G) Two (2) members to represent operators of child care centers.
 - (H) One (1) member to represent child care ministries.
- (5) Two (2) members of the house of representatives, who may not be members of the same political party, to be appointed by and serve at the pleasure of the speaker of the house of representatives.
- (6) Two (2) members of the senate, who may not be members of the same political party, to be appointed by and serve at the pleasure of the president pro tempore of the senate.
- (b) The president pro tempore of the senate shall appoint the board members listed under subsection (a)(4)(A), (a)(4)(B), and (a)(4)(D), and one (1) member each under subsection (a)(4)(C) and (a)(4)(G).
- (c) The speaker of the house of representatives shall appoint the board members listed under subsection (a)(4)(E), (a)(4)(F), and (a)(4)(H), and one (1) member each under subsection (a)(4)(C) and (a)(4)(G).
- (d) At least one (1) of the members appointed under this section must have knowledge or expertise, or both, in the area of children with special needs.
- (e) The legislative council shall appoint the chairperson of the board from among the board's members.
- (f) The terms of the members expire November 1, 2000.
- Sec. 2. The board shall elect necessary officers from among the

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board's members.

Sec. 3. The board shall meet upon the call of the chairperson.

Sec. 4. At least nine (9) members must be present for the transaction of business.

Sec. 5. The board may appoint subcommittees of the board's members to receive public testimony, visit facilities, and make recommendations to the full committee.

Sec. 6. The legislative services agency shall provide staff support to the board.

Sec. 7. Each member of the board who is not a member of the general assembly is entitled to reimbursement for traveling and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency. Each member who is not a state employee is entitled to the minimum salary per diem as provided in IC 4-10-11-2.1(b).

Sec. 8. Each member of the board who is a member of the general assembly is entitled to receive the same per diem, mileage, and travel allowances paid to members of the general assembly serving on interim study committees established by the legislative council. Payments made to a member of the general assembly under this section shall be paid from funds appropriated to the legislative council and the legislative services agency for this purpose.

Sec. 9. (a) The board shall:

- (1) study the laws governing the regulation of child care; and**
- (2) make recommendations to the general assembly concerning changes in the law that the board finds appropriate.**

(b) Before November 1 of each year the board shall submit a written report to the legislative council that:

- (1) identifies the board's recommendations; and**
- (2) discusses the status of the board's continuing program of study.**

(c) The board's program of study under this section must include a study of the following topics:

- (1) The need for changes in the scope and degree of child care regulation established by statute or rule, or both.**
- (2) The need to reorganize governmental units involved in regulating child care facilities to promote effective and efficient child care regulation, including the form that a**



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needed reorganization should take.

(3) A method for completing a statewide needs assessment to determine the availability and projected need for safe and affordable child care.

(4) The need for programs to meet the needs of Indiana residents if the board determines that safe and affordable child care facilities are not available and easily accessible to Indiana residents.

(5) The effect of pending and enacted federal legislation on child care in Indiana and the need for statutory changes to:

(A) qualify for federal child care grants; and

(B) comply with federal child care requirements.

Sec. 10. This chapter expires November 1, 2000.

SECTION 10. IC 12-26-2-5, AS AMENDED BY P.L.6-1995, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) This section applies under the following statutes:

(1) IC 12-26-6.

(2) IC 12-26-7.

(3) IC 12-26-12.

(4) IC 12-26-15.

(b) A petitioner may be represented by counsel.

(c) The court may appoint counsel for a petitioner upon a showing of the petitioner's indigency and the court shall pay for such counsel if appointed.

(d) A petitioner, including a petitioner who is a health care provider under ~~IC 16-18-2-295(b)~~, **IC 16-18-2-295(c)**, in the petitioner's individual capacity or as a corporation is not required to be represented by counsel. If a petitioner who is a corporation elects not to be represented by counsel, the individual representing the corporation at the commitment hearing must present the court with written authorization from:

(1) an officer;

(2) a director;

(3) a principal; or

(4) a manager;

of the corporation that authorizes the individual to represent the interest of the corporation in the proceedings.

(e) The petitioner is required to prove by clear and convincing evidence that:

(1) the individual is mentally ill and either dangerous or gravely disabled; and

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(2) detention or commitment of that individual is appropriate.

SECTION 11. IC 16-18-2-255.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: **Sec. 255.5. "Office", for purposes of IC 16-35-6, has the meaning set forth in IC 16-35-6-1.**

SECTION 12. IC 16-18-2-282.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: **Sec. 282.2. "Physicians' services", for purposes of IC 16-35-6-18, has the meaning set forth in IC 16-35-6-18(a).**

SECTION 13. IC 16-18-2-295, AS AMENDED BY P.L.188-1995, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 295. (a) "Provider", for purposes of IC 16-25, means a hospice program certified under IC 16-25-1.

(b) "Provider", for purposes of IC 16-35-6, has the meaning set forth in IC 16-35-6-2.

~~(b)~~ (c) "Provider", for purposes of IC 16-39 except for IC 16-39-7 and for purposes of IC 16-41-1 through IC 16-41-9, means any of the following:

(1) An individual (other than an individual who is an employee or a contractor of a hospital, a facility, or an agency described in subdivision (2) or (3)) who is licensed, registered, or certified as a health care professional, including the following:

- (A) A physician.
- (B) A psychotherapist.
- (C) A dentist.
- (D) A registered nurse.
- (E) A licensed practical nurse.
- (F) An optometrist.
- (G) A podiatrist.
- (H) A chiropractor.
- (I) A physical therapist.
- (J) A psychologist.
- (K) An audiologist.
- (L) A speech-language pathologist.
- (M) A dietitian.
- (N) An occupational therapist.
- (O) A respiratory therapist.
- (P) A pharmacist.

(2) A hospital or facility licensed under IC 16-21-2 or IC 12-25 or described in IC 12-24-1 or IC 12-29.

(3) A health facility licensed under IC 16-28-2.



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(4) A home health agency licensed under IC 16-27-1.

(5) An employer of a certified emergency medical technician, a certified advanced emergency medical technician, or a certified paramedic.

(~~c~~) (d) "Provider", for purposes of IC 16-39-7-1, has the meaning set forth in IC 16-39-7-1(a).

SECTION 14. IC 16-35-6 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 6. Children's Health Insurance Program

Sec. 1. As used in this chapter, "office" refers to the office of the children's health insurance program established under this chapter.

Sec. 2. (a) As used in this chapter, "provider" means a person who provides health insurance in Indiana. The term includes the following:

- (1) A licensed insurance company.
- (2) A health maintenance organization.
- (3) A multiple employer welfare arrangement.
- (4) A person providing a plan of health insurance subject to state insurance law.

(b) For purposes of section 7(b) of this chapter, the term includes a limited service health maintenance organization (as defined in IC 27-13-34-4) and a preferred provider plan (as defined in IC 27-8-11-1).

Sec. 3. The children's health insurance program is established within the state department.

Sec. 4. A child may apply at an enrollment center or at the office of a qualified entity under IC 12-15-2.2 to receive health care services if the child:

- (1) meets the qualifications described in section 12 of this chapter; or
- (2) receives health care services through the Hoosier Healthwise program under IC 12-15.

Sec. 5. A child shall receive the health care services described in section 18 of this chapter regardless of whether the child is described in section 4(1) of this chapter or section 4(2) of this chapter.

Sec. 6. The office shall design and administer a system to obtain health services for eligible children.

Sec. 7. (a) The office may contract with providers under IC 5-22 to provide health insurance or health services to a child who is



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enrolled in the children's health insurance program. A contract under this subsection must require a provider to do the following:

- (1) Serve as a qualified entity (as defined in IC 12-15-2.2-1) in order to determine the presumptive eligibility for pregnant women and children for Medicaid as provided in IC 12-15-2.2.
- (2) Assist a presumptively eligible individual under subdivision (1) to select a primary care provider.
- (3) Establish locations where an applicant may apply to receive services provided by the children's health insurance program.
- (4) Provide education concerning the following:
 - (A) The responsible use of health facilities and information.
 - (B) Preventive care.
 - (C) Parental responsibilities for a child's health care.
- (5) Provide outreach and evaluation activities for the children's health insurance program.

(b) The office may contract with providers to provide the services described in section 18(c) of this chapter. A provider under this subsection must:

- (1) be eligible to receive reimbursement from the office; and
- (2) comply with subsection (a)(3), (a)(4), and (a)(5).

Sec. 8. (a) The office shall establish performance criteria and evaluation measures for a provider that the office contracts with under section 7 of this chapter.

(b) The office shall assess monetary penalties on a provider that fails to comply with the requirements of this chapter or a rule adopted under this chapter.

Sec. 9. The office shall adopt a sliding scale formula that specifies the premiums, if any, to be paid by the parent or guardian of a child enrolled in the children's health insurance program based on the parent's or guardian's annual income.

Sec. 10. (a) The office shall annually adjust the participation requirements to reflect the amount of money available to obtain health services for children enrolled in the children's health insurance program.

(b) The office shall operate the children's health insurance program within the amounts appropriated to the office.

Sec. 11. The office shall establish and administer a children's health insurance program fund to provide premium assistance from the state to children enrolled in the children's health insurance program.



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Sec. 12. In order to enroll in the children's health insurance program, a child must meet the following requirements:

- (1) The child and the child's family may not have access to affordable health insurance through an employer.
- (2) The child and the child's family may not have participated in a health insurance program for at least one (1) year before enrolling in the children's health insurance program.
- (3) The child's family agrees to provide copayments for services based on a sliding fee scale developed by the office.

Sec. 13. To be eligible to receive reimbursement from the office, a provider shall offer health care services required by this chapter to an eligible child without:

- (1) regard to the child's health status; and
- (2) imposing a preexisting condition exclusion;

except that a preexisting condition exclusion may be applied if health care services are provided through a group health plan or group health insurance coverage, consistent with the limitations on imposing preexisting condition exclusions provided in state and federal law.

Sec. 14. Premium and cost sharing amounts established by the office are limited to the following:

- (1) Deductibles, coinsurance, or other cost sharing are not permitted with respect to benefits for well-baby and well-child care, including age appropriate immunizations.
- (2) For children whose family income is equal to or less than one hundred fifty percent (150%) of the federal income poverty level:
 - (A) premiums, enrollment fees, or similar charges may not exceed the maximum monthly charge permitted consistent with standards established to carry out section 1916(b)(1) of the federal Social Security Act (42 U.S.C. 301 et seq.); and
 - (B) deductibles and other cost sharing shall not exceed a nominal amount that is consistent with standards provided under Section 1916(a)(3) of the federal Social Security Act (42 U.S.C. 301 et seq.), as adjusted.

- (3) For children whose family income is greater than one hundred fifty percent (150%) of the federal income poverty level, premiums, deductibles, and other cost sharing may be imposed on a sliding scale related to family income. However, the annual aggregate cost sharing with respect to all children in a family under this chapter may not exceed five percent



(5%) of the family's income for the year.

Sec. 15. Providers shall use existing health insurance sales and marketing methods, including the use of agents and payment of commissions, to inform families of the availability of the children's health insurance program and assist families in obtaining health insurance and health services for children under the children's health insurance program.

Sec. 16. A child who is eligible to participate in the children's health insurance program is eligible for coverage with a participating plan regardless of the child's health status.

Sec. 17. (a) A child who is participating in the children's health insurance program may change between participating plans only during an annual coverage renewal period, unless the child moves outside of the geographic service area of the participating plan in which the child is enrolled.

(b) A child who moves to an area outside the geographic service area of the participating plan in which the child is enrolled shall provide notice to the participating plan at least sixty (60) days before the child may change participating plans.

Sec. 18. (a) As used in this section, "physicians' services" has the meaning set forth in 42 U.S.C. 1395x(q).

(b) The office shall offer health insurance coverage for the following basic services:

- (1)** Inpatient and outpatient hospital services.
- (2)** Physicians' services.
- (3)** Laboratory and x-ray services.
- (4)** Well-baby and well-child care, including age appropriate immunizations.

(c) The office shall offer health insurance coverage for the following additional services if the coverage for the services has an actuarial value equal to the actuarial value of the services provided by the benchmark program for the following:

- (1)** Coverage of prescription drugs.
- (2)** Mental health services.
- (3)** Vision services.
- (4)** Hearing services.
- (5)** Dental services.

(d) Notwithstanding subsections (b) and (c), the office shall offer health insurance coverage for the same services provided under the early and periodic screening, diagnosis, and treatment program (EPSDT) under IC 12-15.

(e) Notwithstanding subsections (b), (c), and (d), the office may



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not impose treatment limitations or financial requirements on the coverage of services for a mental illness if similar treatment limitations or financial requirements are not imposed on coverage for services for other illnesses.

Sec. 19. The office shall do the following:

(1) Establish a penalty to be paid by the following:

(A) An insurer, insurance agent, or insurance broker, for knowingly or intentionally referring an insured or the dependent of an insured to the children's health insurance program in order to receive health care when the insured receives health insurance through an employer's health care plan that is underwritten by the insurer.

(B) An employer, for knowingly or intentionally referring an employee or the dependent of an employee to the children's health insurance program in order to receive health care when the employee receives health insurance through the employer's health care plan.

(C) An employer that knowingly or intentionally changes the terms of coverage for or premiums paid by an employee in order to force an employee or the dependent of an employee to apply to the children's health insurance program in order to receive health care.

(2) Create standards to minimize the incentive for:

(A) an employer to eliminate or reduce health care coverage for an employee's dependents; or

(B) an individual to eliminate or reduce health care coverage for a dependent of the individual.

Sec. 20. The office of the secretary of family and social services shall provide information and assistance to the office as requested by the office.

Sec. 21. Not later than March 1 of each year, the office shall provide a report describing the office's activities during the preceding calendar year to the state budget committee.

Sec. 22. The office shall adopt rules under IC 4-22-2 to implement this chapter.

SECTION 15. [EFFECTIVE UPON PASSAGE] (a) As used in this SECTION, "office" refers to the office of the children's health insurance program under IC 16-35-6, as added by this act.

(b) The office, with the assistance of the office of Medicaid policy and planning, shall apply under Section 1115 of the federal Social Security Act to the Secretary of the United States Department of Health and Human Services for any waivers



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required to implement the children's health insurance program. The intent of a waiver under this SECTION is to allow the state to offer the same health care services to children who enroll in the children's health insurance program and to children who currently receive health care services under the Medicaid program.

(c) This SECTION expires January 1, 2001.

SECTION 16. [EFFECTIVE UPON PASSAGE] (a) As used in this SECTION, "office" refers to the office of the children's health insurance program under IC 16-35-6, as added by this act.

(b) The office shall submit a state plan outlining Indiana's initial children's health insurance program to the Secretary of the United States Department of Health and Human Services before July 1, 1998.

(c) The office shall amend the state plan outlining Indiana's children's health insurance program to describe a children's health insurance program, including the elements required under IC 16-35-6, as added by this act, before April 1, 1999. The state plan amendment required under this SECTION must include identification of the benchmark program that will be used by the office, as provided in IC 16-35-6-18, as added by this act.

(d) The state may transfer funds from the Medicaid indigent care trust fund under IC 12-15-20 to pay for the state's share of funds required to receive federal financial participation under the program.

(e) This SECTION expires January 1, 2003.

SECTION 17. [EFFECTIVE JULY 1, 1998] (a) This SECTION does not apply to services provided by a facility licensed under IC 16-28.

(b) As used in this SECTION, "community care network" means a system of providing or arranging for health services and related items for the residents of a community within the needs and resources of the community.

(c) As used in this SECTION, "political subdivision" has the meaning set forth in IC 34-4-16.5-2.

(d) One (1) or more political subdivisions may elect to participate in a pilot program under this SECTION by forming a community care network for the purpose of pooling and administering funds to be used in providing or arranging to provide health services and related items to at least one (1) of the following groups:

- (1) The employees of the political subdivisions.
- (2) Enrollees whose health services and items are provided



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under IC 12-15, if approved by the office of the secretary.

(3) The enrollees of the children's health insurance program under IC 16-35-6.

(4) The employees of private employers, if appropriate.

(5) Other groups of residents approved for inclusion by the board of directors as provided under subsection (f).

(e) A community care network is authorized to pool funds provided to the community care network by:

(1) the political subdivisions participating in the community care network;

(2) private employers;

(3) state and federal entities;

(4) grants; and

(5) any other source;

for financing and arranging to provide health services and related items to the employees and residents of the political subdivisions.

(f) A community care network is governed by a board of directors.

(g) A board of directors must have an odd number of members that is not less than five (5) members but not more than eleven (11) members.

(h) Members of a board of directors must include the following:

(1) Representatives of the political subdivisions establishing the community care network.

(2) Representatives of the employees of the political subdivisions establishing the community care network.

(3) Representatives of the residents, if applicable, of the political subdivisions establishing the community care network.

(4) Representatives of providers that will provide health services and related items to individuals receiving health care through the community care network.

The political subdivisions establishing the community care network must agree to the number of representatives under subdivisions (1) through (4).

(i) Each member of a board of directors must have demonstrated expertise in health care financing or health care delivery systems, or both.

(j) The executives of the political subdivisions establishing the community care network must:

(1) agree to the number of members each executive may appoint; and

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(2) after reaching agreement under subdivision (1), appoint members;
to the board of directors.

(k) The board of directors of each community care network shall establish a community care network fund to pay for health services and related items for participants in the network.

(l) The board of directors shall establish guidelines for the community care network that include the following:

- (1) Quality assurance.
- (2) Benefit levels.
- (3) Improved access to health care.
- (4) Cost containment through early intervention.
- (5) Medical staff expertise.
- (6) Coordination of community resources.
- (7) Community, parental, and school involvement.

(m) A community care network must be approved annually by:

- (1) the department of insurance; and
- (2) the office of the secretary of family and social services.

(n) The department of insurance must certify that a community care network possesses necessary financial reserves.

(o) A community care network may contract with:

- (1) an accident and sickness insurance company, including reimbursement agreements under IC 27-8-11;
- (2) a health care provider (as defined in IC 27-12-2-14); or
- (3) a nonprofit agency that provides health care services;

to provide or arrange for the provision of health services and items for the employees and residents of the political subdivisions establishing the community care network.

(p) A contract under subsection (o) may be awarded only after the community care network uses a public bidding process for the contract.

(q) A community care network established under this SECTION:

- (1) may contract with the state to provide services under IC 12-14, IC 12-15, and IC 16-35-6; and
- (2) is a body corporate and politic.

(r) A plan of self-insurance must include an aggregate stop-loss provision.

(s) The political subdivisions establishing the community care network:

- (1) shall appropriate to the community care network funds necessary to provide health services and related items for

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employees of the political subdivisions; and

(2) may appropriate funds for health services and items provided to other residents of the political subdivisions.

(t) If Medicaid funds are used by a community care network to pay for health services and related items, the office of Medicaid policy and planning:

(1) shall assure that patients served by federally qualified health centers, rural health clinics, and other primary care providers that target uninsured or Medicaid patients have equal or better access to comprehensive quality primary care services; and

(2) may apply to the Secretary of the United States Department of Health and Human Services for any waivers necessary to implement this SECTION.

(u) If the office of Medicaid policy and planning seeks a waiver under IC 12-15 to establish a managed care program or other demonstration project, the office of Medicaid policy and planning shall not seek a waiver of:

(1) federally qualified health centers and rural health clinic services as mandatory Medicaid services under:

(A) 42 U.S.C. 1396a(10)(A);

(B) 42 U.S.C. 1396d(a)(2)(B); and

(C) 42 U.S.C. 1396d(a)(2)(C); or

(2) reasonable cost reimbursement for federally qualified health centers and rural health clinics under 42 U.S.C. 1396a(a)(13)(E).

(v) A community care network established under this SECTION shall file a report with the department of insurance and the office of the secretary of family and social services not later than March 1 of each year that provides information about the community care network during the preceding calendar year that is requested by the department of insurance and the office of the secretary of family and social services.

(w) Not later than January 1, 2002, the department of insurance and the office of the secretary of family and social services shall begin to evaluate the community care networks established under this SECTION.

(x) Not later than November 1, 2002, the department of insurance and the office of the secretary of family and social services shall report to the legislative council and the governor regarding whether community care networks should be established legislatively on an ongoing basis.



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(y) A community care network may not begin operation before January 1, 1999.

(z) This SECTION expires January 1, 2003."

Page 3, delete lines 1 through 13.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to House Bill 1348 as printed January 27, 1998, and as amended on motion of Representative Crawford adopted February 3, 1998.)

JOHNSON, Chairperson

Committee Vote: Yeas 8, Nays 0.

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