

HOUSE BILL No. 1271

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3.1-19; IC 12-7-2-154.8; IC 12-15-2-15.6; IC 12-15-2.2; IC 12-15-4-1; IC 16-18-2; IC 16-35-6.

Synopsis: State assisted children's health program. Provides an employer who pays for health insurance for the employer's employees with a tax credit equal to 50% of the insurance premiums paid by the employer. Increases for one year the family income eligibility standard for Medicaid for a pregnant woman or a child who is less than 19 years of age to 200% of the federal income poverty level. Provides that certain entities may determine that a pregnant woman or child is presumptively eligible for Medicaid. Provides that presumptive eligibility ends when a determination of Medicaid eligibility is made
(Continued next page)

Effective: Upon passage; July 1, 1998; January 1, 1999.

T. Brown

January 13, 1998, read first time and referred to Committee on Ways and Means.

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Digest Continued

by an employee of a county office of family and children, or the last day of the month following the month during which a presumptive eligibility determination is made, whichever occurs earlier. Provides that applications for Medicaid may be made at a hospital, provider's office, school, grocery store, county office of family and children, or other location in the county where the applicant resides that is approved by the office of Medicaid policy and planning. Allows an interested entity to apply to the office of Medicaid policy and planning to serve as an outstation. Establishes a state assisted health care program to provide health care services to uninsured children and children who currently receive health care services through the Medicaid managed care program.

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Introduced

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.

HOUSE BILL No. 1271

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

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

1 SECTION 1. IC 6-3.1-19 IS ADDED TO THE INDIANA CODE
2 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 1999]:

4 **Chapter 19. Health Insurance Premiums Credit**

5 **Sec. 1. As used in this chapter, "employer" means an employer**
6 **who offers health insurance to the employer's employees.**

7 **Sec. 2. As used in this chapter, "pass through entity" means:**

- 8 (1) a corporation that is exempt from the adjusted gross
9 income tax under IC 6-3-2-2.8(2);
10 (2) a partnership;
11 (3) a limited liability company; or
12 (4) a limited liability partnership.

13 **Sec. 3. As used in this chapter, "state tax liability" means a**
14 **taxpayer's total tax liability incurred under:**

- 15 (1) IC 6-2.1 (the gross income tax);



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1 (2) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);
 2 (3) IC 6-3-8 (the supplemental corporate net income tax); and
 3 (4) IC 6-5.5 (the financial institutions tax);
 4 as computed after the application of all credits that under
 5 IC 6-3.1-1-2 are to be applied before the credit provided by this
 6 chapter.

7 Sec. 4. As used in this chapter, "taxpayer" means any person,
 8 corporation, limited liability company, partnership, or entity that
 9 has any state tax liability.

10 Sec. 5. (a) Subject to the limitations provided in subsection (b)
 11 and sections 6, 7, 8, and 9 of this chapter, the department shall
 12 grant a tax credit against any gross, adjusted gross, or
 13 supplemental net income tax due equal to fifty percent (50%) of the
 14 amount paid by an employer to provide health insurance to the
 15 employer's employees.

16 (b) The credit provided by this chapter shall only be applied
 17 against any income tax liability owed by the taxpayer after the
 18 application of any credits that under IC 6-3.1-1-2 must be applied
 19 before the credit provided by this chapter.

20 Sec. 6. If a pass through entity is entitled to a credit under
 21 section 5 of this chapter but does not have state tax liability against
 22 which the tax credit may be applied, a shareholder, partner, or
 23 member of the pass through entity is entitled to a tax credit equal
 24 to:

- 25 (1) the tax credit determined for the pass through entity for
 26 the taxable year; multiplied by
 27 (2) the percentage of the pass through entity's distributive
 28 income to which the shareholder, partner, or member is
 29 entitled.

30 Sec. 7. The credit provided under section 5 of this chapter is in
 31 addition to a tax credit to which a shareholder, partner, or member
 32 of a pass through entity is otherwise entitled under IC 6-2.1, IC 6-3,
 33 this article, or IC 6-5.5. However, a pass through entity and a
 34 shareholder, partner, or member of the pass through entity may
 35 not claim more than one (1) credit for the same qualified
 36 expenditure.

37 Sec. 8. (a) An employer that desires to claim a tax credit as
 38 provided in this chapter shall file with the department, in the form
 39 approved by the department, an application stating the amount
 40 that the employer has paid in health insurance premiums that
 41 would qualify for a tax credit and the amount sought to be claimed
 42 as a credit.



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1 (b) The department shall promptly notify an applicant whether,
2 or the extent to which, the tax credit is allowable in the state fiscal
3 year in which the application is filed.

4 **Sec. 9.** A tax credit shall be allowable under this chapter only
5 for the taxable year of the taxpayer in which the health insurance
6 premiums that qualify for the credit are paid.

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

12 SECTION 3. IC 12-15-2-15.6 IS ADDED TO THE INDIANA
13 CODE AS A NEW SECTION TO READ AS FOLLOWS
14 [EFFECTIVE JULY 1, 1998]: **Sec. 15.6.** (a) Notwithstanding sections
15 **13, 14, 15, and 15.5** of this chapter, an individual:

16 (1) whose family income does not exceed two hundred percent
17 (200%) of the federal income poverty level for the same size
18 family;

19 (2) who is otherwise eligible for Medicaid under section 13, 14,
20 15, or 15.5 of this chapter; and

21 (3) who is not otherwise eligible for Medicaid under this
22 chapter;

23 is eligible for Medicaid.

24 (b) The state's share of any treatment received by an individual
25 who is eligible for Medicaid under this section is calculated under
26 Title XXI of the federal Social Security Act (42 U.S.C. 1396aa et
27 seq.).

28 (c) This section expires June 30, 1999.

29 SECTION 4. IC 12-15-2.2 IS ADDED TO THE INDIANA CODE
30 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
31 JULY 1, 1998]:

32 **Chapter 2.2. Presumptive Eligibility for Pregnant Women and**
33 **Children**

34 **Sec. 1.** This chapter applies to an individual who may be eligible
35 for Medicaid under the following:

36 (1) IC 12-15-2-11.

37 (2) IC 12-15-2-12.

38 (3) IC 12-15-2-13.

39 (4) IC 12-15-2-14.

40 (5) IC 12-15-2-15.

41 (6) IC 12-15-2-15.5.

42 (7) IC 12-15-2-15.6.



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1 **Sec. 2. As used in this chapter, "qualified entity" means one (1)**
 2 **of the following:**

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

5 **(A) is eligible to receive payments under this article;**

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

10 **(C) is determined by the office to be capable of making a**
 11 **determination described in section 5(1) of this chapter; and**

12 **(D) meets all other requirements set forth in 42 U.S.C.**
 13 **1396r-1(b)(2)(D).**

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

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

19 **(i) participate in a Head Start program under 42 U.S.C.**
 20 **9831 et seq.;**

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

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

28 **(B) by the office to be capable of making a determination**
 29 **described in section (5)(1) of this chapter.**

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

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

35 **(1) Application forms for Medicaid.**

36 **(2) Information on how to assist pregnant women, parents,**
 37 **guardians, and other individuals in completing and filing the**
 38 **application forms.**

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

42 **(1) begins on the date on which a qualified entity determines,**



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1 on the basis of preliminary information, that the family
 2 income of the child or pregnant woman does not exceed the
 3 applicable family income level of eligibility for the child or
 4 pregnant woman for Medicaid under IC 12-15-2; and

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

6 (A) The day on which a determination is made by a county
 7 office of family and children with respect to the eligibility
 8 of the child or pregnant woman for Medicaid under
 9 IC 12-15-2.

10 (B) The last day of the month following the month in which
 11 the qualified entity makes the determination described in
 12 subdivision (1).

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

14 (1) may only be determined to be presumptively eligible under
 15 this chapter by an entity described in section 2(1) of this
 16 chapter; and

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

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

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

25 (2) Inform:

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

27 (B) the pregnant woman;

28 that an application for Medicaid is required to be made in the
 29 county office or another location provided in IC 12-15-4-1 in
 30 the county where the child or the pregnant woman resides not
 31 later than the last day of the month following the month
 32 during which the determination is made.

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

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

36 (2) the pregnant woman;

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

40 **Sec. 9. The office shall adopt rules under IC 4-22-2 to implement**
 41 **this chapter.**

42 SECTION 5. IC 12-15-4-1 IS AMENDED TO READ AS

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1 FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 1. (a) An application
2 or a request for Medicaid for an individual must be **made:**

3 (1) **made to the county office of the county in which the applicant**
4 **resides; and**

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

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

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

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

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

12 (D) **A pharmacy that has received a permit under**
13 **IC 25-26-13.**

14 (E) **A grocery store.**

15 (F) **The county office.**

16 (G) **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 apply to the office, on a form provided by the**
20 **office, for authorization to serve as an outstation where individuals**
21 **may apply for Medicaid.**

22 (c) **One (1) or more employees at each outstation shall:**

23 (1) **accept applications for Medicaid; and**

24 (2) **conduct interviews with applicants;**

25 **during hours and days of the week agreed upon by the office and**
26 **the outstation.**

27 (d) **The office shall provide each outstation with the materials**
28 **and training needed by the outstation to comply with this section.**

29 (e) **An outstation shall forward:**

30 (1) **each application taken by the outstation; and**

31 (2) **any accompanying materials;**

32 **to the county office located in the same county as the outstation at**
33 **least one (1) time each week. The county office shall then make the**
34 **final determination of an applicant's eligibility for Medicaid.**

35 SECTION 6. IC 16-18-2-115.3 IS ADDED TO THE INDIANA
36 CODE AS A NEW SECTION TO READ AS FOLLOWS
37 [EFFECTIVE JULY 1, 1998]: Sec. 115.3. "Enrollee", for purposes
38 of IC 16-35-6, has the meaning set forth in IC 16-35-6-2.

39 SECTION 7. IC 16-18-2-294.3 IS ADDED TO THE INDIANA
40 CODE AS A NEW SECTION TO READ AS FOLLOWS
41 [EFFECTIVE JULY 1, 1998]: Sec. 294.3. "Program", for purposes
42 of IC 16-35-6, has the meaning set forth in IC 16-35-6-3.



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1 SECTION 8. IC 16-35-6 IS ADDED TO THE INDIANA CODE AS
2 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 1998]:

4 **Chapter 6. State Assisted Health Care Program**

5 **Sec. 1. (a) This chapter applies to children who:**

- 6 (1) do not have access to health insurance for at least eight (8)
7 months; or
8 (2) receive health care services under IC 12-15 through the
9 Hoosier Healthwise program.

10 (b) To participate in the program established under this
11 chapter, a child must reside in a family that has an annual income
12 that does not exceed two hundred percent (200%) of the federal
13 income poverty level for the same size family.

14 **Sec. 2. As used in this chapter, "enrollee" means an individual
15 who is enrolled in the program established under this chapter.**

16 **Sec. 3. As used in this chapter, "program" refers to the state
17 assisted health care program established under this chapter.**

18 **Sec. 4. The state department, with the assistance of the office of
19 the secretary of family and social services, shall establish a
20 program to provide health insurance to children.**

21 **Sec. 5. A child must apply annually to participate in the
22 program.**

23 **Sec. 6. In establishing the program under section 4 of this
24 chapter, the state department, with the assistance of the office of
25 the secretary of family and social services, shall consider different
26 sources to provide health insurance to enrollees, including the
27 following:**

- 28 (1) The state employees' health plan.
29 (2) Vouchers.
30 (3) Medical savings accounts.
31 (4) The Wishard Advantage program.
32 (5) The Hoosier Healthwise program.
33 (6) Variations that are unique to different regions or counties
34 within Indiana.

35 **Sec. 7. If the state department does not spend eighty percent
36 (80%) of the funds allocated to the program during any year the
37 program is in operation, the state department, with the assistance
38 of the office of the secretary of family and social services, shall
39 apply for a waiver from the Secretary of the United States
40 Department of Health and Human Services to allow the program
41 to provide health insurance coverage to each member of a family
42 of a child who qualifies for the program.**

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1 **Sec. 8. During the first five (5) years the program is in**
 2 **operation, the state department, with the assistance of the office of**
 3 **the secretary of family and social services, shall monitor the**
 4 **effectiveness of the program by collecting demographic**
 5 **information and health statistics of enrollees, including the**
 6 **following:**

- 7 (1) **Immunizations provided to enrollees.**
 8 (2) **Blood pressure measures.**
 9 (3) **Number of enrollees with anemia.**
 10 (4) **Number of enrollees with high cholesterol levels.**
 11 (5) **Number of enrollees with asthma.**
 12 (6) **Number of enrollees with diabetes.**
 13 (7) **Results of urine culture results for female enrollees.**

14 **Sec. 9. The state department, with the assistance of the office of**
 15 **the secretary of family and social services, shall apply to the**
 16 **Secretary of the United States Department of Health and Human**
 17 **Services for all waivers that are required to operate the program**
 18 **established under this chapter.**

19 **Sec. 10. The state department, with the assistance of the office**
 20 **of the secretary of family and social services, shall adopt rules**
 21 **under IC 4-22-2 to implement this chapter.**

22 **SECTION 9. [EFFECTIVE UPON PASSAGE] (a) Not later than**
 23 **January 1, 1999, the office of the secretary of family and social**
 24 **services, with the assistance of the state department of health, shall**
 25 **adopt rules under IC 4-22-2 to carry out IC 12-15-4-1, as amended**
 26 **by this act.**

27 **(b) Not later than July 1, 1999, the state department of health,**
 28 **with the assistance of the office of the secretary of family and social**
 29 **services, shall adopt the initial rules under IC 4-22-2 to implement**
 30 **IC 16-35-6, as added by this act.**

31 **(c) This SECTION expires January 1, 2000.**

32 **SECTION 10. [EFFECTIVE JANUARY 1, 1999] A tax credit**
 33 **provided under IC 6-3.1-19, as added by this act, may be claimed**
 34 **only for taxes owed in taxable years that begin after December 31,**
 35 **1998.**

36 **SECTION 11. An emergency is declared for this act.**



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