

SENATE MOTION

MR. PRESIDENT:

I move that Senate Bill 216 be amended to read as follows:

- 1 Page 1, line 7, after "organization" insert "**or provider sponsored**
2 **organization (as defined in 42 U.S.C. 1395w-25d)**".
- 3 Page 2, line 2, after "2." insert "**(a) This section applies to an**
4 **enrollee or a subscriber residing in:**
- 5 **(1) a home registered under IC 23-2-4; or**
6 **(2) a health facility licensed under IC 16-28;**
7 **whenever the home or health facility has a contract with the**
8 **enrollee's or subscriber's health maintenance organization or**
9 **provider sponsored organization (as defined in 42 U.S.C.**
10 **1395w-25d) to provide services to residents of the home or health**
11 **facility.**
- 12 **(b) Beginning July 1, 1999, if a health maintenance**
13 **organization or provider sponsored organization terminates or**
14 **otherwise discontinues a contract with a home or health facility**
15 **described in subsection (a), the home or health facility shall notify**
16 **the residents of the home or health facility of the termination or**
17 **discontinuance within ten (10) working days after the home or**
18 **health facility receives notice of the termination or discontinuance.**
- 19 **(c) For sixty (60) days following termination or discontinuance**
20 **of a contract as described in subsection (b), if an enrollee's or a**
21 **subscriber's physician determines that it is medically necessary to**
22 **refer the enrollee or subscriber to a skilled nursing facility (as**
23 **defined in 42 U.S.C. 1395i-3), the physician must refer the enrollee**
24 **or subscriber back to a home described in section 1(2)(A) of this**
25 **chapter or a health facility described in section 1(2)(B) of this**
26 **chapter where the enrollee or subscriber resides, if the following**
27 **conditions are met:**
- 28 **(1) The home or health facility has a Medicare certified**
29 **skilled nursing facility located within the home or health**
30 **facility and the enrollee or subscriber will be placed in the**
31 **Medicare certified skilled nursing facility upon referral.**
- 32 **(2) All of the following apply:**
33 **(A) The home or health facility provides the level of care**

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- the enrollee or subscriber needs.
- (B) The home or health facility agrees to accept payment for care of the enrollee or subscriber that is subject to the health maintenance organization's or provider sponsored organization's terms and conditions for payment at the contract rate negotiated with similar providers for the same services and supplies.
- (C) The home or health facility meets all guidelines established by the health maintenance organization or provider sponsored organization related to:
 - (i) quality of care;
 - (ii) utilization;
 - (iii) referral authorization;
 - (iv) risk assumption;
 - (v) use of the health maintenance organization's or provider sponsored organization's network; and
 - (vi) other criteria applicable to providers under contract for the same services and supplies.
- (D) The home or health facility is Medicare certified.

(3) The enrollee or subscriber chooses to receive the necessary skilled nursing services from the home or health facility.

Sec. 3. (a) A health maintenance organization or provider sponsored organization must provide an individual with a written notice before the individual enters into a contract with the health maintenance organization or provider sponsored organization. The notice must inform the individual of the following:

- (1) That an enrollee or a subscriber will not be referred to a skilled nursing facility that does not have a contract with the health maintenance organization or provider sponsored organization.
- (2) That if an enrollee or a subscriber:
 - (A) is a resident or intends to become a resident of a home or health facility described in section 1 of this chapter; and
 - (B) requires skilled nursing services;
 the enrollee or subscriber may be required to receive the skilled nursing services at a skilled nursing facility other than a skilled nursing facility located at the home or health facility where the enrollee or subscriber resides.

(b) The department of insurance shall adopt rules under IC 4-22-2 to determine the wording of the notice required under this section.

SECTION 2. [EFFECTIVE JULY 1, 1998] (a) The definitions in IC 4-13-1 apply throughout this SECTION.

(b)".

Page 2, line 18, delete "usual and customary".

Page 2, line 33, delete "meets the guidelines for" and insert "is

- 1 **Medicare certified."**
- 2 Page 2, delete line 34.
- 3 Page 2, after line 36, begin a new paragraph and insert:
- 4 **"(c) This SECTION expires June 30, 1999."**
- 5 Renumber all SECTIONS consecutively.
(Reference is to SB 216 as printed January 16, 1998.)

Senator MILLER