

## CONFERENCE COMMITTEE REPORT DIGEST FOR SB 19

**Citations Affected:** IC 12-7-2; IC 12-15-2.2; IC 12-17-18.

**Synopsis:** Children's health insurance program. Proposed conference committee report to ESB 19. 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 for one year 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 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. Establishes an office of the children's health insurance program within the office of the secretary of family and social services 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. Allows the legislative services agency to audit certain aspects of the state department of health subject to the direction of the legislative council and to report the results of the audit to the state budget committee and the legislative council not later than November 1, 1998. 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. (This conference committee report does the following: (1) Makes the bill appear similar to the version that passed the Senate with some delays in effective dates. (2) Establishes the office of the children's health insurance program within the office of the secretary of family and social services. (3) Authorizes the legislative services agency to audit the state department of health, subject to the direction of the legislative council. (4) Deletes a provision reestablishing the board for the coordination of child

care regulations.)

**Effective:** July 1, 1998; September 1, 1998.

# CONFERENCE COMMITTEE REPORT

**MR. PRESIDENT:**

*Your Conference Committee appointed to confer with a like committee from the House upon Engrossed House Amendments to Engrossed Senate Bill No. 19 respectfully reports that said two committees have conferred and agreed as follows to wit:*

that the Senate recede from its dissent from all House amendments and that the Senate now concur in all House amendments to the bill and that the bill be further amended as follows:

- 1 Delete the amendment made by the committee report of the
- 2 committee of one adopted February 23, 1998.
- 3 Page 1, delete lines 1 through 15.
- 4 Page 2, delete line 10 and insert "**IC 12-17-18-1.**"
- 5 Page 2, delete lines 16 through 42, begin a new paragraph and
- 6 insert:
- 7 "SECTION 4. IC 12-7-2-149, AS AMENDED BY P.L.1-1994,
- 8 SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 9 JULY 1, 1998]: Sec. 149. "Provider" means the following:
- 10 (1) For purposes of IC 12-10-7, the meaning set forth in
- 11 IC 12-10-7-3.
- 12 (2) For purposes of the following statutes, an individual, a
- 13 partnership, a corporation, or a governmental entity that is
- 14 enrolled in the Medicaid program under rules adopted under
- 15 IC 4-22-2 by the office of Medicaid policy and planning:
- 16 (A) IC 12-14-1 through IC 12-14-9.
- 17 (B) IC 12-15, except IC 12-15-32, IC 12-15-33, and
- 18 IC 12-15-34.
- 19 (C) IC 12-17-10.
- 20 (D) IC 12-17-11.
- 21 (3) For purposes of IC 12-17-9, the meaning set forth in
- 22 IC 12-17-9-2.
- 23 **(4) For purposes of IC 12-17-18, the meaning set forth in**
- 24 **IC 12-17-18-2.**
- 25 ~~(4)~~ **(5)** For the purposes of IC 12-17.2, a person who operates a

1 child care center or child care home under IC 12-17.2.  
 2 ~~(5)~~ (6) For purposes of IC 12-17.4, a person who operates a child  
 3 caring institution, foster family home, group home, or child  
 4 placing agency under IC 12-17.4."

5 Delete pages 3 through 5.

6 Page 6, delete lines 1 through 15, begin a new paragraph and  
 7 insert:

8 "SECTION 5. IC 12-7-2-154.8 IS ADDED TO THE INDIANA  
 9 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 10 [EFFECTIVE SEPTEMBER 1, 1998]: **Sec. 154.8. "Qualified entity",**  
 11 **for purposes of IC 12-15-2.2, has the meaning set forth in**  
 12 **IC 12-15-2.2-1."**

13 Page 6, line 19, delete "42 U.S.c. 1397ee" and insert "**42 U.S.C.**  
 14 **1397ee"**.

15 Page 6, after line 42, begin a new paragraph and insert:

16 "SECTION 9. IC 12-15-2-15.7 IS ADDED TO THE INDIANA  
 17 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 18 [EFFECTIVE SEPTEMBER 1, 1998]: **Sec. 15.7. (a) An individual**  
 19 **who is less than nineteen (19) years of age and who is eligible for**  
 20 **Medicaid under sections 14 through 15.6 of this chapter is eligible**  
 21 **to receive Medicaid until the earlier of the following:**

22 (1) **The end of a period of twelve (12) consecutive months**  
 23 **following a determination of the individual's eligibility for**  
 24 **Medicaid.**

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

26 (b) **This section expires August 31, 1999.**

27 SECTION 7. IC 12-15-2.2 IS ADDED TO THE INDIANA CODE  
 28 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
 29 SEPTEMBER 1, 1998]:

30 **Chapter 2.2. Presumptive Eligibility for Pregnant Women and**  
 31 **Children**

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

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

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

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

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

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

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

- 1 authorized:
- 2 (A) to determine the eligibility of a child to:
- 3 (i) participate in a Head Start program under 42
- 4 U.S.C. 9831 et seq.;
- 5 (ii) receive child care services for which financial
- 6 assistance is provided under the federal Child Care
- 7 and Development Block Grant Act of 1990
- 8 (42 U.S.C. 9858 et seq.); or
- 9 (iii) receive assistance under the women, infants,
- 10 and children nutrition program (as defined in
- 11 IC 16-35-1.5-5); and
- 12 (B) by the office to be capable of making a
- 13 determination that the family income of a child does not
- 14 exceed the income level of eligibility under IC 12-15-2.
- 15 Sec. 2. A qualified entity may establish the presumptive
- 16 eligibility of an individual who may be eligible for:
- 17 (1) Medicaid under IC 12-15-2-11 through IC 12-15-2-15.6;
- 18 or
- 19 (2) services from the children's health insurance program
- 20 under IC 16-35-6.
- 21 Sec. 3. (a) An entity described in section 1(2) of this chapter
- 22 may apply to the office, on a form provided by the office, for
- 23 authorization to be a qualified entity under this chapter.
- 24 (b) Notwithstanding section 1(2) of this chapter and subsection
- 25 (a), the office shall consider the following to be qualified entities:
- 26 (1) A disproportionate share provider under
- 27 IC 12-15-16-1(a).
- 28 (2) An enhanced disproportionate share provider under
- 29 IC 12-15-16-1(b).
- 30 (3) A federally qualified health clinic.
- 31 (4) A rural health clinic.
- 32 Sec. 4. The office shall provide each qualified entity with the
- 33 following:
- 34 (1) Application forms for:
- 35 (A) Medicaid; and
- 36 (B) the children's health insurance program under
- 37 IC 16-35-6.
- 38 (2) Information on how to assist pregnant women, parents,
- 39 guardians, and other individuals in completing and filing the
- 40 application forms.
- 41 Sec. 5. Subject to section 6(2) of this chapter, the office shall
- 42 provide Medicaid services to a child or pregnant woman during a
- 43 period that:
- 44 (1) begins on the date on which a qualified entity determines
- 45 on the basis of preliminary information that the family
- 46 income of the child or pregnant woman does not exceed the
- 47 applicable family income level of eligibility for the child or
- 48 pregnant woman for Medicaid under IC 12-15-2; and
- 49 (2) ends on the earlier of the following:
- 50 (A) The date on which a determination is made by a
- 51 representative of the county office with respect to the

1 eligibility of the child or pregnant woman for Medicaid  
2 under IC 12-15-2.

3 (B) The last day of the month following the month in  
4 which the qualified entity makes the determination  
5 described in subdivision (1).

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

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

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

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

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

18 (2) Inform:

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

20 (B) the pregnant woman;

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

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

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

30 (2) pregnant woman;

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

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

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

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

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

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

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

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

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

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

8 **Sec. 12. This chapter expires August 31, 1999."**

9 Replace the effective date in SECTION 8 with "[EFFECTIVE  
 10 SEPTEMBER 1, 1998]".

11 Page 7, delete lines 40 through 42.

12 Page 8, delete lines 1 through 9.

13 Page 8, between lines 13 and 14, begin a new paragraph and  
 14 insert:

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

18 Page 8, line 14, delete "1" and insert "2".

19 Page 8, line 14, delete "insurer" and insert "**provider**".

20 Page 8, delete lines 26 through 28.

21 Page 8, line 29, delete "secretary may establish:" and insert  
 22 **"children's health insurance program is established within the**  
 23 **office of the secretary."**

24 Page 8, delete lines 30 through 31.

25 Page 8, line 33, after "IC 12-15-4-1" insert "**or at the office of a**  
 26 **qualified entity under IC 12-15-2.2**".

27 Page 8, line 38, delete "who enrolls in the children's health  
 28 insurance".

29 Page 8, line 39, delete "program".

30 Page 8, line 40, after "chapter" insert "**regardless of whether the**  
 31 **child is described in section 4(1) of this chapter or section 4(2) of**  
 32 **this chapter**".

33 Page 8, line 41, delete "may" and insert "**shall**".

34 Page 8, line 42, delete "insurance" and insert "**services**".

35 Page 9, line 1, delete "insurers" and insert "**providers**".

36 Page 9, line 2, delete "and other" and insert "**or health**".

37 Page 9, line 4, delete "an insurer" and insert "**a provider**".

38 Page 9, between lines 5 and 6, begin a new line block indented and  
 39 insert:

40 **"(1) Serve as a qualified entity (as defined in IC 12-15-2.2-1)**  
 41 **in order to determine the presumptive eligibility for**  
 42 **pregnant women and children for Medicaid as provided in**  
 43 **IC 12-15-2.2.**

44 **(2) Assist a presumptively eligible individual under**  
 45 **subdivision (1) to select a primary care provider."**

46 Page 9, line 6, delete "(1)" and insert "**(3)**".

47 Page 9, line 9, delete "(2)" and insert "**(4)**".

48 Page 9, line 14, delete "(3)" and insert "**(5)**".

49 Page 9, line 16, delete "insurers" and insert "**providers**".

50 Page 9, line 17, delete "18(b)" and insert "**18(c)**".

- 1 Page 9, line 17, delete "An insurer" and insert "**A provider**".
- 2 Page 9, line 20, delete "(a)" and insert "**(a)(3), (a)(4), and (a)(5)**".
- 3 Page 9, line 22, delete "an insurer" and insert "**a provider**".
- 4 Page 9, line 24, delete "an insurer" and insert "**a provider**".
- 5 Page 9, line 27, delete "may" and insert "**shall**".
- 6 Page 9, line 31, delete "children's health" and insert "**participation**
- 7 **requirements**".
- 8 Page 9, line 32, delete "insurance program".
- 9 Page 9, line 33, delete "insurance" and insert "**services**".
- 10 Page 9, line 37, delete "may" and insert "**shall**".
- 11 Page 9, line 41, delete "The office shall establish requirements that
- 12 a child must" and insert "**In order to enroll in the children's health**
- 13 **insurance program, a child must meet the following requirements:**
- 14 **(1) The child and the child's family may not have access to**
- 15 **affordable health insurance through an employer.**
- 16 **(2) The child's family agrees to provide copayments for**
- 17 **services based on a sliding fee scale developed by the office."**
- 18 Page 9, delete line 42.
- 19 Page 10, line 2, delete "an insurer" and insert "**a provider**".
- 20 Page 10, line 2, delete "arrange to provide" and insert "**offer**".
- 21 Page 10, line 34, delete "Insurers" and insert "**Providers**".
- 22 Page 10, line 39, delete "coverage" and insert "**and health**
- 23 **services**".
- 24 Page 11, line 2, after "17." insert "**(a)**".
- 25 Page 11, between lines 6 and 7, begin a new paragraph and insert:
- 26 "**(b) A child who moves to an area outside the geographic**
- 27 **service area of the participating plan in which the child is enrolled**
- 28 **shall provide notice to the participating plan at least five (5) days**
- 29 **before the child may change participating plans."**
- 30 Page 11, line 10, after "following" insert "**basic services**".
- 31 Page 11, between lines 15 and 16, begin a new paragraph and
- 32 insert:
- 33 "**(c) The office shall offer health insurance coverage for the**
- 34 **following additional services if the coverage for the services has an**
- 35 **actuarial value equal to the actuarial value of the services provided**
- 36 **by the benchmark program for the following:**"
- 37 Page 11, line 16, delete "(5)" and insert "**(1)**".
- 38 Page 11, line 17, delete "(6)" and insert "**(2)**".
- 39 Page 11, line 18, delete "(7)" and insert "**(3)**".
- 40 Page 11, line 19, delete "(8)" and insert "**(4)**".
- 41 Page 11, line 20, delete "(9)" and insert "**(5)**".
- 42 Page 11, line 21, delete "(c)" and insert "**(d)**".
- 43 Page 11, line 21, delete "subsection (b)" and insert "**subsections**
- 44 **(b) and (c)**".
- 45 Page 11, line 25, delete "(d)" and insert "**(e)**".
- 46 Page 11, line 25, delete "and (c)" and insert "**, (c), and (d)**".
- 47 Page 12, line 11, delete "June 30" and insert "**March 1**".
- 48 Page 12, delete lines 16 through 27.
- 49 Page 13, line 5, delete "If an" and insert "**The**".
- 50 Page 13, line 5, delete "is".

- 1 Page 13, line 6, delete "the office of".
- 2 Page 13, line 7, delete "the children's health insurance program".
- 3 Page 13, line 11, after "." insert "**The state plan amendment**
- 4 **required under this SECTION must include identification of the**
- 5 **benchmark program that will be used by the office, as provided in**
- 6 **IC 12-17-18-18, as added by this act.**".
- 7 Page 13, line 16, delete "2001" and insert "**2003**".
- 8 Page 13, between lines 16 and 17, begin a new paragraph and
- 9 insert:
- 10 "SECTION 18. [EFFECTIVE UPON PASSAGE] (a) **The**
- 11 **legislative services agency, on approval of the legislative council**
- 12 **may perform an audit of the state department of health to include**
- 13 **the following:**
- 14 (1) **Evaluate whether the operation of the agency has been**
- 15 **efficient and responsive to public needs.**
- 16 (2) **Evaluate the management efficiency of the agency and the**
- 17 **cost effectiveness and value of the information the agency**
- 18 **processes.**
- 19 (3) **Evaluate the objectives intended for the agency and the**
- 20 **problems or needs that the agency is intended to address.**
- 21 (4) **Evaluate the degree to which the intended objectives of**
- 22 **the agency will be achieved.**
- 23 (5) **Any other criteria identified by members of the budget**
- 24 **committee or the legislative council.**
- 25 (b) **The audit required under subsection (a) must begin not**
- 26 **later than May 1, 1998.**
- 27 (c) **The legislative services agency shall report to the budget**
- 28 **committee and the legislative council the results of the audit**
- 29 **conducted under subsection (a) not later than November 1, 1998.**
- 30 (d) **This SECTION expires January 1, 1999.**".
- 31 Renumber all SECTIONS consecutively.
- 32 (Reference is to ESB 19 as reprinted February 23, 1998, and as
- 33 amended by the committee report of the committee of one adopted
- 34 February 23, 1998.)

**Conference Committee Report**  
**on**  
**Engrossed Senate Bill 19**

**S**igned by:

\_\_\_\_\_  
Senator Johnson

\_\_\_\_\_  
Representative Crawford

\_\_\_\_\_  
Senator Simpson

\_\_\_\_\_  
Representative Budak

**Senate Conferees**

**House Conferees**