

# COMMITTEE REPORT

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**MR. PRESIDENT:**

The Senate Committee on Health and Environmental Affairs, to which was referred Senate Bill No. 381, 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:

- 1 Page 1, line 1, replace the effective date in SECTION 1 with
- 2 "[EFFECTIVE JANUARY 1, 1998 (RETROACTIVE)]".
- 3 Page 1, line 4, delete "April 1, 1999" and insert "**July 1, 1998**".
- 4 Page 1, line 9, after "rates" insert "**for each provider**".
- 5 Page 1, line 10, after "(1)" insert "**The lesser of the following for**
- 6 **direct care costs:**".
- 7 Page 1, line 10, delete "One", begin a new line double block
- 8 indented and insert:
- 9 "**(A) The product of:**
- 10 **(i) one**".
- 11 Page 1, line 11, delete "." and insert "**; multiplied by**".
- 12 Page 1, between lines 11 and 12, begin a new line triple block
- 13 indented and insert:
- 14 "**(ii) the Medicaid case mix index for the provider.**
- 15 **(B) The product of:**
- 16 **(i) the normalized costs per patient day for direct**
- 17 **care; multiplied by**
- 18 **(ii) the Medicaid case mix index for the provider.**".

- 1 Page 1, line 12, after "(2)" insert "**The lesser of the following for**  
2 **indirect care costs:**".
- 3 Page 1, line 12, before "One" begin a new line double block  
4 indented and insert:  
5 "(A)".
- 6 Page 1, between lines 13 and 14, begin a new line double block  
7 indented and insert:  
8 "**(B) The costs per patient day for indirect care.**".
- 9 Page 1, line 14, after "(3)" insert "**The lesser of the following for**  
10 **administrative costs:**".
- 11 Page 1, line 14, before "One" begin a new line double block  
12 indented and insert:  
13 "(A)".
- 14 Page 1, after line 15, begin a new line double block indented and  
15 insert:  
16 "**(B) The costs per patient day for the provider's**  
17 **administrative costs.**".
- 18 Page 2, line 1, after "(4)" insert "**The lesser of the following for**  
19 **capital costs:**".
- 20 Page 2, line 1, before "Seventy-eight" begin a new line double  
21 block indented and insert:  
22 "(A)".
- 23 Page 2, between lines 2 and 3, begin a new line double block  
24 indented and insert:  
25 "**(B) The costs per patient day for the provider's capital**  
26 **costs.**".
- 27 Page 2, line 4, replace the effective date in SECTION 2 with  
28 "[EFFECTIVE JANUARY 1, 1998 (RETROACTIVE)]".
- 29 Page 2, line 7, delete "April 1, 1999" and insert "**July 1, 1998**".
- 30 Page 2, line 22, after "(B)" insert "**the product of:**".
- 31 Page 2, line 22, before "the" begin a new line triple block indented  
32 and insert:  
33 "**(i)**".
- 34 Page 2, line 22, after "provider's" insert "**normalized**".
- 35 Page 2, line 22, after "day" insert "**direct care**".
- 36 Page 2, line 22, delete "." and insert "**; multiplied by**".
- 37 Page 2, between lines 22 and 23, begin a new line triple block  
38 indented and insert:

- 1                    **"(ii) the provider's Medicaid case mix index."**
- 2                    Page 2, line 24, delete "clause (A)(i)" and insert "**clause (A)**".
- 3                    Page 2, line 30, after "day" insert "**indirect care**".
- 4                    Page 2, line 37, after "day" insert "**administrative**".
- 5                    Page 3, line 3, after "day" insert "**capital**".
- 6                    Page 3, line 10, replace the effective date in SECTION 3 with
- 7                    "[EFFECTIVE JULY 1, 1997 (RETROACTIVE)]".
- 8                    Page 3, line 10, delete "405 IAC 1-14.1 and" and insert "**(a)**".
- 9                    Page 3, line 11, delete "are" and insert "**is**".
- 10                  Page 3, line 11, after "void." begin a new paragraph and insert:
- 11                  **"(b) 405 IAC 1-14.1 is void on the date prescribed by**
- 12                  **SECTION 6 of this act.**
- 13                  **(c)**".
- 14                  Page 3, line 12, delete "these rules" and insert "**this rule**".
- 15                  Page 3, between lines 13 and 14, begin a new paragraph and
- 16                  insert:
- 17                  "SECTION 4. [EFFECTIVE JANUARY 1, 1998
- 18                  (RETROACTIVE)] **If 405 IAC 1-14.3 is adopted before the passage**
- 19                  **of this act, 405 IAC 1-14.3 is void. The publisher of the Indiana**
- 20                  **Administrative Code and Indiana Register shall remove this rule**
- 21                  **from the Indiana Administrative Code."**
- 22                  Page 3, line 14, replace the effective date in SECTION 4 with
- 23                  "[EFFECTIVE JANUARY 1, 1998 (RETROACTIVE)]".
- 24                  Page 3, line 20, replace the effective date in SECTION 5 with
- 25                  "[EFFECTIVE MARCH 1, 1998 (RETROACTIVE)]".
- 26                  Page 3, line 28, delete "April 1, 1999" and insert "**July 1, 1998**".
- 27                  Page 3, delete lines 29 through 37, begin a new paragraph and
- 28                  insert:
- 29                  **"(c) Notwithstanding IC 4-22-2-36, the voiding of 405**
- 30                  **IAC 1-14.1 and the rules adopted under IC 4-22-2 that are**
- 31                  **required to implement SECTIONS 1 and 2 of this act are effective**
- 32                  **on the later of the following:**
- 33                  **(1) July 1, 1998.**
- 34                  **(2) The earliest date permitted by federal law."**
- 35                  Page 3, line 39, replace the effective date in SECTION 6 with
- 36                  "[EFFECTIVE MARCH 1, 1998 (RETROACTIVE)]".
- 37                  Page 3, line 39, delete "The" and insert "**Not later than March**
- 38                  **31, 1998, the**".

- 1 Page 4, line 14, after "8." insert "[EFFECTIVE JANUARY 1, 1998
- 2 (RETROACTIVE)]".
- 3 Page 4, line 14, after "repealed" insert "**or amended**".
- 4 Page 4, line 15, delete "statuory" and insert "**statutory**".
- 5 Page 4, line 15, after "repeal" insert "**or amendment**".
- 6 Renumber all SECTIONS consecutively.  
(Reference is to SB 381 as introduced.)

**and when so amended that said Bill do pass.**

Committee Vote: Yeas 7, Nays 2.

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**Senator Miller, Chairperson**