COMMITTEE REPORT

MR. PRESIDENT:

The Senate Committee on Planning and Public Services, to which was referred Senate Bill No. 19, 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:

Page 6, line 16, after "3." insert "**(a)**.

Page 6, between lines 18 and 19, begin a new paragraph and insert:

"**(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.".

Page 7, line 17, after "office" insert "**or an enrollment center**".

Page 7, line 18, after "resides" insert "**(as provided in IC 12-15-4-1)**".

Page 7, between lines 28 and 29, begin a new paragraph and insert:

"SECTION 7. IC 12-15-4-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1998]: Sec. 1. **(a)** An application or a request for Medicaid for an individual must be **made:**

(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 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.

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

(1) accept applications for Medicaid; and

(2) conduct interviews with applicants;

during hours and days of the week agreed upon by the office and the enrollment center.

(d) The office 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 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.".

Page 8, delete lines 17 through 20, begin a new paragraph and

insert:

"SECTION 9. 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 10. 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. (a) "Physicians' services", for purposes of IC 16-35-6-18, has the meaning set forth in IC 16-35-16-18(a).**".

Page 9, line 21, delete "program" and insert "**office**".

Page 9, line 21, after "the" insert "**office of the**".

Page 9, delete line 28.

Page 9, line 29, delete "(3)" and insert "**(2)**".

Page 9, line 30, delete "(4)" and insert "**(3)**".

Page 9, line 31, delete "(5)" and insert "**(4)**".

Page 9, line 35, delete "to receive services provided by the" and insert "**at an enrollment center to receive health care services**".

Page 9, line 36, delete "program".

Page 9, line 41, after "in the" insert "**children's health insurance**".

Page 10, line 3, delete "program" and insert "**office**".

Page 10, line 5, delete "program" and insert "**office**".

Page 10, line 7, after "the" insert "**children's health insurance**".

Page 10, line 15, after "the" insert "**children's health insurance**".

Page 10, line 21, after "the" insert "**children's health insurance**".

Page 10, line 23, delete "program" and insert "**office**".

Page 10, line 24, delete "program" and insert "**office**".

Page 10, line 26, delete "program" and insert "**office**".

Page 10, line 29, delete "program" and insert "**office**".

Page 10, line 31, after "in the" insert "**children's health insurance**".

Page 10, line 33, after "10." insert "**(a)**".

Page 10, between lines 35 and 36, begin a new paragraph and insert:

"**(b) The children's health insurance program shall operate within available funds appropriated to the program.**".

Page 10, line 36, delete "program" and insert "**office**".

Page 10, line 36, after "a" insert "**children's health insurance**".

Page 10, line 38, after "the" insert "**children's health insurance**".

Page 10, line 39, delete "(a)".

Page 10, line 39, after "the" insert "**children's health insurance**".

Page 11, delete lines 7 through 8.

Page 11, line 10, delete "program," and insert "**office,**".

Page 11, line 10, after "offer" delete "program" and insert "**health care**".

Page 11, line 10, after "services" insert "**required by this chapter**".

Page 11, line 15, delete "program" and insert "**health care**".

Page 11, line 19, delete "under the program" and insert "**established by the office**".

Page 12, line 2, before "program" insert "**children's health insurance**".

Page 12, line 4, after "the" insert "**children's health insurance**".

Page 12, line 5, after "the" insert "**children's health insurance**".

Page 12, line 6, delete "provider" and insert "**plan**".

Page 12, line 8, after "the" insert "**children's health insurance**".

Page 12, line 8, after "may" insert "**change only between participating plans 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.**".

Page 12, delete lines 9 through 12.

Page 12, line 13, delete "The period required for the notice to be sent under" and insert "**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.**".

Page 12, delete lines 14 through 17.

Page 12, line 18, after "(a)" insert "**As used in this section, "physicians' services" has the meaning set forth in 42 U.S.C. 1395x(q).**".

Page 12, line 18, before "The" begin a new paragraph and insert: "**(b)**".

Page 12, line 18, delete "program" and insert "**office**".

Page 12, line 21, delete "surgical and medical".

Page 12, line 25, delete "program" and insert "**office**".

Page 12, line 27, delete "of at least seventy-five percent (75%) of the" and insert "**equal to**".

Page 12, line 35, delete "program" and insert "**office**".

Page 12, between lines 38 and 39, begin a new paragraph and insert:

"**(d) Notwithstanding subsections (a) and (b), the office may 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.**".

Page 12, line 40, delete "program" and insert "**office**".

Page 12, line 41, delete "program" and insert "**office**".

Page 12, line 42, delete "program" and insert "**office**".

Page 13, line 1, delete "program's" and insert "**office's**".

Page 13, line 3, delete "program" and insert "**office**".

Page 13, line 6, delete ""program"" and insert "**"office"**".

Page 13, line 6, after "the" insert "**office of the**".

Page 13, line 8, delete "program" and insert "**office**".

Page 13, line 19, delete ""program"" and insert "**"office"**".

Page 13, line 19, after "the" insert "**office of the**".

Page 13, line 21, delete "program" and insert "**office**".

Page 13, line 25, delete "program" and insert "**office**".

Page 13, line 26, after "a" insert "**children's health insurance**".

Page 13, line 28, after "." insert "**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.**".

Page 13, between lines 33 and 34, begin a new paragraph and insert:

"SECTION 13. [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 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

(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 may contract with the state to provide services under IC 12-14, IC 12-15, and IC 16-35-6.

(r) Any 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 any funds necessary to provide health services and related items for 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.

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

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

Renumber all SECTIONS consecutively.

(Reference is to SB 19 as printed January 14, 1998.)

and when so amended that said bill do pass.

Committee Vote: Yeas 10, Nays 0.

Johnson **Chairperson**