



April 6, 1999

**ENGROSSED
HOUSE BILL No. 1524**

DIGEST OF HB 1524 (Updated April 5, 1999 2:44 pm - DI 76)

Citations Affected: IC 16-28.

Synopsis: Health facility receivership. Specifies the qualifications, powers, and duties of a health facility receiver. Requires a receiver to execute a bond, with certain sureties approved by the court, before beginning duties as a receiver. Requires the state department of health: (1) to pay the cost of the receiver's bond; or (2) in lieu of a bond, stipulate to the court that the state will assume liability for the actions or omissions of the receiver while operating the health facility.
(Continued next page)

Effective: July 1, 1999.

Brown C

(SENATE SPONSORS — MILLER, SIMPSON)

January 19, 1999, read first time and referred to Committee on Public Health.
February 24, 1999, amended, reported — Do Pass.
March 1, 1999, read second time, ordered engrossed. Engrossed.
March 2, 1999, read third time, passed. Yeas 93, nays 3.

SENATE ACTION

March 8, 1999, read first time and referred to Committee on Corrections, Criminal and Civil Procedures.
April 5, 1999, amended, reported favorably — Do Pass.

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Provides that upon: (1) the court's approval of the receiver's final report that the conditions that presented a major threat to the patients in the health facility have been corrected or that the facility has been closed; and (2) the receiver's compliance with the court's order made on the final report; the receiver and the surety on the receiver's bond are fully discharged for all matters related to the final report. Addresses the costs of placing a receiver in a health facility.

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April 6, 1999

First Regular Session 111th General Assembly (1999)

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 1998 General Assembly.

ENGROSSED HOUSE BILL No. 1524

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 16-28-8-4 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 4. ~~(a)~~ A receiver:
3 (1) must be licensed under IC 25-19-1 **and may be a state**
4 **employee; and**
5 (2) **must possess the education and experience necessary, as**
6 **determined by the director, to oversee correction of the**
7 **deficiencies of the facility;**
8 (3) **must not have been found guilty of misconduct by any**
9 **licensing board or professional society in the state;**
10 (4) **must not have (or a member of the receiver's immediate**
11 **family must not have) a financial ownership interest in the**
12 **facility;**
13 ~~(2)~~ (5) has the powers and duties granted by the court to protect
14 the interests of the patients in the health facility, **which**
15 ~~(b) These powers and duties~~ may include providing for the orderly

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1 relocation of patients from the health facility and the refusal to admit
2 new patients pending closure; and

3 **(6) must report to the director on the operation of the facility**
4 **and the status and condition of the patients.**

5 SECTION 2. IC 16-28-8-6 IS ADDED TO THE INDIANA CODE
6 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
7 1, 1999]: **Sec. 6. (a) Before beginning duties as a receiver, the**
8 **receiver must execute a bond, with one (1) or more sureties**
9 **approved by the court, to the effect that the receiver will:**

10 **(1) faithfully discharge the duties of the receiver while**
11 **operating the health facility; and**

12 **(2) obey the orders of the court.**

13 **(b) The department shall:**

14 **(1) pay the cost of the bond required of the receiver; or**

15 **(2) in lieu of a bond, stipulate to the court that the state will**
16 **assume liability for the actions or omissions of the receiver**
17 **while operating the health facility.**

18 **(c) Upon:**

19 **(1) the court's approval of the receiver's final report that the**
20 **conditions that presented a major threat to the patients in the**
21 **health facility have been corrected or that the health facility**
22 **has closed; and**

23 **(2) the receiver's compliance with the court's order made on**
24 **the final report;**

25 **the receiver and the surety on the receiver's bond are fully**
26 **discharged for all matters related to the final report.**

27 SECTION 3. IC 16-28-8-7 IS ADDED TO THE INDIANA CODE
28 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
29 1, 1999]: **Sec. 7. The costs of placing a receiver in a health facility,**
30 **excluding the cost of the receiver's bond, shall be paid by:**

31 **(1) the health facility, if the receiver is not a state employee;**
32 **or**

33 **(2) the state, if the receiver is a state employee.**

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Health, to which was referred House Bill 1524, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, delete lines 1 through 14.

Page 2, line 16, after "closure;" insert "**and**".

Page 2, line 18, delete ";" and insert "."

Page 2, delete lines 19 through 42.

Delete page 3

Page 4, delete line 1.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1524 as introduced.)

BROWN C, Chair

Committee Vote: yeas 11, nays 0.

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COMMITTEE REPORT

Mr. President: The Senate Committee on Corrections, Criminal and Civil Procedures, to which was referred House Bill No. 1524, 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 1, line 3, delete ", **unless the receiver is**" and insert "**and may be**".

Page 1, line 12, delete "." and insert ";".

Page 1, line 14, after "facility" insert ", **which**".

Page 1, line 15, reset in roman "may include providing for the orderly".

Page 2, line 1, reset in roman "relocation of patients from the health facility".

Page 2, line 1, reset in roman "the refusal".

Page 2, line 1, delete "to refuse".

Page 2, delete lines 5 through 26, begin a new paragraph and insert:
"SECTION 2. IC 16-28-8-6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: **Sec. 6. (a) Before beginning duties as a receiver, the receiver must execute a bond, with one (1) or more sureties approved by the court, to the effect that the receiver will:**

(1) **faithfully discharge the duties of the receiver while operating the health facility; and**

(2) **obey the orders of the court.**

(b) The department shall:

(1) **pay the cost of the bond required of the receiver; or**

(2) **in lieu of a bond, stipulate to the court that the state will assume liability for the actions or omissions of the receiver while operating the health facility.**

(c) Upon:

(1) **the court's approval of the receiver's final report that the conditions that presented a major threat to the patients in the health facility have been corrected or that the health facility has closed; and**

(2) **the receiver's compliance with the court's order made on the final report;**

the receiver and the surety on the receiver's bond are fully discharged for all matters related to the final report.

SECTION 3. IC 16-28-8-7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: **Sec. 7. The costs of placing a receiver in a health facility,**

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excluding the cost of the receiver's bond, shall be paid by:

(1) the health facility, if the receiver is not a state employee;

or

(2) the state, if the receiver is a state employee."

and when so amended that said bill do pass.

(Reference is to HB 1524 as printed February 25, 1999.)

MEEKS R, Chairperson

Committee Vote: Yeas 7, Nays 0.

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