April 6, 1999

ENGROSSED
SENATE BILL No. 605

DIGEST OF SB 605 (Updated April 6, 1999 4:16 pm - DI 73)

Citations Affected: IC 4-22; IC 4-23; IC 12-7; IC 12-13; IC 12-15; IC 12-17.6; IC 12-29; IC 16-41; IC 35-43; noncode.

Synopsis: Children's health insurance program. Establishes the children's health insurance program (program) within the office of the secretary of family and social services to provide health insurance coverage to uninsured children. Establishes the children's health policy board to coordinate aspects of existing children's health programs. (Continued next page)

Effective: Upon passage; July 1, 1999; January 1, 2000.

Miller, Simpson, Young R, Johnson, Zakas

(HOUSE SPONSORS — BROWN C, CRAWFORD, BUDAK)

January 21, 1999, read first time and referred to Committee on Health and Provider Services.
February 16, 1999, amended, reported favorably — Do Pass.
February 23, 1999, read second time, amended, ordered engrossed.
February 24, 1999, engrossed.
February 25, 1999, read third time, passed. Yeas 50, nays 0.

HOUSE ACTION

March 3, 1999, read first time and referred to Committee on Public Health.
April 5, 1999, amended, reported — Do Pass; recommitted to Committee on Ways and Means pursuant to House Rule 127.
April 6, 1999, amended, reported — Do Pass.

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Digest Continued

Provides that an individual who is less than 19 years old and who is a member of a family with an annual income that is less than 150% of the federal income poverty level is eligible for Medicaid. Provides eligibility requirements that a child and the child's family must meet in order to enroll in the program. Provides that providers enrolled under the Medicaid program and providers enrolled under the children's health insurance program are considered providers for both programs. Adds two parent advocates to the Medicaid advisory committee. Provides that the children's health policy board has authority to oversee all matters related to the children's health insurance program. Makes Medicaid fraud and insurance fraud a Class C felony in any case where the fair market value of the offense is at least $50,000. Makes conforming changes. Provides for the appointment of the 15 members of the governing board of the Edgewater Systems for a Balanced Living. Provides for other details of membership on the governing board. Terminates the term of office of current members of the governing board, effective January 1, 2000.

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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.

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ENGROSSED
SENATE BILL No. 605

A BILL FOR AN ACT to amend the Indiana Code concerning human services.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 4-22-2-37.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 37.1. (a) This section applies to a rulemaking action resulting in any of the following rules:

(1) An order adopted by the commissioner of the Indiana department of transportation under IC 9-20-1-3(d) or IC 9-21-4-7(a) and designated by the commissioner as an emergency rule.

(2) An action taken by the director of the department of natural resources under IC 14-22-2-6(d) or IC 14-22-6-13.

(3) An emergency temporary standard adopted by the occupational safety standards commission under IC 22-8-1.1-16.1.

(4) An emergency rule adopted by the solid waste management board under IC 13-22-2-3 and classifying a waste as hazardous.

(5) A rule, other than a rule described in subdivision (6), adopted

by the department of financial institutions under IC 24-4.5-6-107 and declared necessary to meet an emergency.

(6) A rule required under IC 24-4.5-1-106 that is adopted by the department of financial institutions and declared necessary to meet an emergency under IC 24-4.5-6-107.

(7) A rule adopted by the Indiana utility regulatory commission to address an emergency under IC 8-1-2-113.

(8) An emergency rule jointly adopted by the water pollution control board and the budget agency under IC 13-18-13-18.

(9) An emergency rule adopted by the state lottery commission under IC 4-30-3-9.

(10) A rule adopted under IC 16-19-3-5 that the executive board of the state department of health declares is necessary to meet an emergency.

(11) An emergency rule adopted by the Indiana transportation finance authority under IC 8-21-12.

(12) An emergency rule adopted by the insurance commissioner under IC 27-1-23-7.

(13) An emergency rule adopted by the Indiana horse racing commission under IC 4-31-3-9.

(14) An emergency rule adopted by the air pollution control board, the solid waste management board, or the water pollution control board under IC 13-15-4-10(4) or to comply with a deadline required by federal law, provided:

(A) the variance procedures are included in the rules; and

(B) permits or licenses granted during the period the emergency rule is in effect are reviewed after the emergency rule expires.

(15) An emergency rule adopted by the Indiana election commission under IC 3-6-4.1-14.

(16) An emergency rule adopted by the department of natural resources under IC 14-10-2-5.

(17) An emergency rule adopted by the Indiana gaming commission under IC 4-33-4-2, IC 4-33-4-3, or IC 4-33-4-14.

(18) An emergency rule adopted by the alcoholic beverage commission under IC 7.1-3-17.5, IC 7.1-3-17.7, or IC 7.1-3-20-24.4.

(19) An emergency rule adopted by the department of financial institutions under IC 28-15-11.

(20) An emergency rule adopted by the office of the secretary of family and social services under IC 12-8-1-12.

(21) An emergency rule adopted by the office of the children's

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health insurance program under IC 12-17.6-2-7.

(b) The following do not apply to rules described in subsection (a):

(1) Sections 24 through 36 of this chapter.

(2) IC 13-14-9.

(c) After a rule described in subsection (a) has been adopted by the agency, the agency shall submit the rule to the publisher for the assignment of a document control number. The agency shall submit the rule in the form required by section 20 of this chapter and with the documents required by section 21 of this chapter. The publisher shall determine the number of copies of the rule and other documents to be submitted under this subsection.

(d) After the document control number has been assigned, the agency shall submit the rule to the secretary of state for filing. The agency shall submit the rule in the form required by section 20 of this chapter and with the documents required by section 21 of this chapter. The secretary of state shall determine the number of copies of the rule and other documents to be submitted under this subsection.

(e) Subject to section 39 of this chapter, the secretary of state shall:

(1) accept the rule for filing; and

(2) file stamp and indicate the date and time that the rule is accepted on every duplicate original copy submitted.

(f) A rule described in subsection (a) takes effect on the latest of the following dates:

(1) The effective date of the statute delegating authority to the agency to adopt the rule.

(2) The date and time that the rule is accepted for filing under subsection (e).

(3) The effective date stated by the adopting agency in the rule.

(4) The date of compliance with every requirement established by law as a prerequisite to the adoption or effectiveness of the rule.

(g) Subject to subsection (h), IC 14-10-2-5, IC 14-22-2-6, and IC 22-8-1.1-16.1, a rule adopted under this section expires not later than ninety (90) days after the rule is accepted for filing under subsection (e). Except for a rule adopted under subsection (a)(14), the rule may be extended by adopting another rule under this section, but only for one (1) extension period. A rule adopted under subsection (a)(14) may be extended for two (2) extension periods. Except for a rule adopted under subsection (a)(14), for a rule adopted under this section to be effective after one (1) extension period, the rule must be adopted under:

(1) sections 24 through 36 of this chapter; or

(2) IC 13-14-9;

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as applicable.

(h) A rule described in subsection (a)(6), (a)(9), or (a)(13) expires on the earlier of the following dates:

(1) The expiration date stated by the adopting agency in the rule.

(2) The date that the rule is amended or repealed by a later rule adopted under sections 24 through 36 of this chapter or this section.

(i) This section may not be used to readopt a rule under IC 4-22-2.5.

SECTION 2. IC 4-23-26 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 26. Advisory Committee for Children With Special Health Needs

Sec. 1. As used in this chapter, "committee" refers to the advisory committee for children with special health needs established by section 2 of this chapter.

Sec. 2. The advisory committee for children with special health needs is established.

Sec. 3. (a) The committee consists of the following members:

(1) The director of the children's special health care services program.

(2) The director of the first steps program.

(3) The chair of the governor's interagency coordinating council for early intervention.

(4) The chair of the children's special health care services advisory council under 410 IAC 3.2-11.

(5) The director of the division of special education created under IC 20-1-6-2.1.

(6) One (1) representative of the Indiana chapter of the American Academy of Pediatrics.

(7) One (1) representative of a family advocacy group.

(8) Three (3) parents of children with special health needs.

(9) Three (3) parents of children who are enrolled in the:

(A) children's health insurance program under IC 12-17.6; or

(B) Medicaid managed care program for children.

(b) The members under subdivisions (1) and (2) are nonvoting members.

Sec. 4. (a) The governor shall appoint the committee members under section 3(6), 3(7), 3(8), and 3(9) of this chapter.

(b) The term of each member appointed under subsection (a) is three (3) years.

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(c) A committee member identified in subsection (a) may be reappointed to serve consecutive terms.

Sec. 5. (a) The director of the children's special health care services program is chair of the committee during odd numbered years.

(b) The director of the first steps program is chair of the committee during even numbered years.

Sec. 6. The committee shall meet at least quarterly at the call of the chair.

Sec. 7. Eight (8) members of the committee constitute a quorum.

Sec. 8. (a) Each member of the committee who is not a state employee is entitled to receive both of the following:

(1) The minimum salary per diem provided by IC 4-10-11-2.1(b).

(2) Reimbursement for travel expenses and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency.

(b) Each member of the committee who is a state employee is entitled to reimbursement for travel expenses and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency.

Sec. 9. The committee shall advise and assist the children's health policy board established by IC 4-23-27-2 in the development, coordination, and evaluation of policies that have an impact on children, with a focus on children with special health needs, by doing the following:

(1) Seeking information from families, service providers, advocacy groups, and health care specialists about state or local policies that impede the provision of quality service.

(2) Taking steps to ensure that relevant health policy issues that have an impact on children with special health needs are forwarded to the children's health policy board.

(3) Advising the children's health policy board with respect to the integration of services across:

(A) programs; and

(B) state agencies;

for children with special health needs.

SECTION 3. IC 4-23-27 IS ADDED TO THE INDIANA CODE AS

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A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 27. Children's Health Policy Board

Sec. 1. As used in this chapter, "board" refers to the children's health policy board established by section 2 of this chapter.

Sec. 2. The children's health policy board is established.

Sec. 3. The board consists of the following members:

(1) The chair, appointed by the governor.

(2) The secretary of family and social services.

(3) The state health commissioner.

(4) The insurance commissioner of Indiana.

(5) The state personnel director.

(6) The budget director.

(7) The state superintendent of public instruction.

Sec. 4. The governor may appoint a member of the board listed under section 3(2) through 3(7) of this chapter as chair of the board.

Sec. 5. (a) Four (4) members of the board constitute a quorum.

(b) The affirmative vote of at least four (4) members of the board is required for the board to take any official action.

Sec. 6. (a) The board shall meet monthly at the call of the chair.

(b) The board shall hold public hearings in diverse locations throughout the state at least three (3) times each year.

Sec. 7. The board shall direct policy coordination of children's health programs by doing the following:

(1) Developing a comprehensive policy in the following areas:

(A) Appropriate delivery systems of care.

(B) Enhanced access to care.

(C) The use of various program funding for maximum efficiency.

(D) The optimal provider participation in various programs.

(E) The potential for expanding health insurance coverage to other populations.

(F) Technology needs, including technology to coordinate payment for services provided through the children's health insurance program under IC 12-17.6 with:

(i) services provided to children with special health needs; and

(ii) public health programs designed to protect all children.

(G) Appropriate organizational structure to implement

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health policy in the state.

(2) Coordinating aspects of existing children's health programs, including the children's health insurance program, Medicaid managed care for children, first steps, and children's special health care services, in order to achieve a more seamless system easily accessible by participants and providers, specifically in the following areas:

(A) Identification of potential enrollees.

(B) Outreach.

(C) Eligibility criteria.

(D) Enrollment.

(E) Benefits and coverage issues.

(F) Provider requirements.

(G) Evaluation.

(H) Procurement policies.

(I) Information technology systems.

(3) Reviewing, analyzing, disseminating, and using data when making policy decisions.

(4) Overseeing implementation of the children's health insurance program under IC 12-17.6, including:

(A) reviewing:

(i) benefits provided by;

(ii) eligibility requirements for; and

(iii) each evaluation of;

the children's health insurance program on an annual basis in light of available funding; and

(B) making recommendations for changes to the children's health insurance program to the office of the children's health insurance program established under IC 12-17.6-2-1.

Sec. 8. The board may draw upon the expertise of other boards, committees, and individuals whenever the board determines that such expertise is needed.

SECTION 4. IC 12-7-2-26 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 26. "Center", for purposes of IC 12-26 **and IC 12-29-2.2,** means a community mental health center.

SECTION 5. IC 12-7-2-52.2 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 52.2. "Crowd out", for purposes of IC 12-17.6, has the meaning set forth in IC 12-17.6-1-2.**

SECTION 6. IC 12-7-2-91 IS AMENDED TO READ AS

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FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 91. "Fund" means the following:

(1) For purposes of IC 12-12-1-9, the fund described in IC 12-12-1-9.

(2) For purposes of IC 12-13-8, the meaning set forth in IC 12-13-8-1.

(3) For purposes of IC 12-15-20, the meaning set forth in IC 12-15-20-1.

(4) For purposes of IC 12-17-12, the meaning set forth in IC 12-17-12-4.

(5) For purposes of IC 12-17.6, the meaning set forth in IC 12-17.6-1-3.

~~(5)~~ **(6)** For purposes of IC 12-18-4, the meaning set forth in IC 12-18-4-1.

~~(6)~~ **(7)** For purposes of IC 12-18-5, the meaning set forth in IC 12-18-5-1.

~~(7)~~ **(8)** For purposes of IC 12-19-3, the meaning set forth in IC 12-19-3-1.

~~(8)~~ **(9)** For purposes of IC 12-19-4, the meaning set forth in IC 12-19-4-1.

~~(9)~~ **(10)** For purposes of IC 12-19-7, the meaning set forth in IC 12-19-7-2.

~~(10)~~ **(11)** For purposes of IC 12-23-2, the meaning set forth in IC 12-23-2-1.

~~(11)~~ **(12)** For purposes of IC 12-24-6, the meaning set forth in IC 12-24-6-1.

~~(12)~~ **(13)** For purposes of IC 12-24-14, the meaning set forth in IC 12-24-14-1.

~~(13)~~ **(14)** For purposes of IC 12-30-7, the meaning set forth in IC 12-30-7-3.

SECTION 7. IC 12-7-2-134 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 134. "Office" means the following:

(1) Except as provided in subdivisions (2) and (3), the office of Medicaid policy and planning established by IC 12-8-6-1.

(2) For purposes of IC 12-10-13, the meaning set forth in IC 12-10-13-4.

(3) For purposes of ~~IC 12-17-18,~~ **IC 12-17.6,** the meaning set forth in ~~IC 12-17-18-1.~~ **IC 12-17.6-1-4.**

SECTION 8. IC 12-7-2-146 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 146. "Program" refers to the following:

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(1) For purposes of IC 12-10-7, the adult guardianship services program established by IC 12-10-7-5.

(2) For purposes of IC 12-10-10, the meaning set forth in IC 12-10-10-5.

(3) For purposes of IC 12-17.6, the meaning set forth in IC 12-17.6-1-5.

SECTION 9. IC 12-7-2-149 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 149. "Provider" means the following:

(1) For purposes of IC 12-10-7, the meaning set forth in IC 12-10-7-3.

(2) For purposes of the following statutes, an individual, a partnership, a corporation, or a governmental entity that is enrolled in the Medicaid program under rules adopted under IC 4-22-2 by the office of Medicaid policy and planning:

(A) IC 12-14-1 through IC 12-14-9.

(B) IC 12-15, except IC 12-15-32, IC 12-15-33, and IC 12-15-34.

(C) IC 12-17-10.

(D) IC 12-17-11.

(E) IC 12-17.6.

(3) For purposes of IC 12-17-9, the meaning set forth in IC 12-17-9-2.

(4) ~~For purposes of IC 12-17-18, the meaning set forth in IC 12-17-18-2.~~

~~(5)~~ For the purposes of IC 12-17.2, a person who operates a child care center or child care home under IC 12-17.2.

~~(6)~~ **(5)** For purposes of IC 12-17.4, a person who operates a child caring institution, foster family home, group home, or child placing agency under IC 12-17.4.

SECTION 10. IC 12-13-8-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. For taxes first due and payable in 1990, each county shall impose a medical assistance property tax levy equal to the amount determined using the following formula:

STEP ONE: Determine the sum of the amounts that were incurred by the county as determined by the state board of accounts for all medical care, including psychiatric care and institutional psychiatric care, for wards of the county office (described in ~~IC 12-15-2-15)~~ **IC 12-15-2-16)** that was provided in 1986, 1987, and 1988.

STEP TWO: Subtract from the amount determined in STEP ONE

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the sum of:

(A) the amount of bank taxes (IC 6-5-10);

(B) the amount of savings and loan association taxes (IC 6-5-11);

(C) the amount of production credit association taxes (IC 6-5-12); plus

(D) the amount of motor vehicle excise taxes (IC 6-6-5);

that were allocated to the county welfare fund and used to pay for the medical care for wards provided in 1986, 1987, and 1988.

STEP THREE: Divide the amount determined in STEP TWO by three (3).

STEP FOUR: Adjust the amount determined in STEP THREE by the amount determined by the state board of tax commissioners under section 6 of this chapter.

STEP FIVE: Multiply the amount determined in STEP FOUR by the greater of:

(A) the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the county for property taxes first due and payable in 1990; or

(B) the statewide average assessed value growth quotient using the county assessed value growth quotients determined under IC 6-1.1-18.5-2 for property taxes first due and payable in 1990.

STEP SIX: Multiply the amount determined in STEP FIVE by the statewide average assessed value growth quotient, using all the county assessed value growth quotients determined under IC 6-1.1-18.5-2 for the year in which the tax levy under this section will be first due and payable.

SECTION 11. IC 12-15-1-19 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 19. The office may, in administering managed care programs, contract with community entities, including private entities, to do the following:**

(1) Outreach for and enrollment in the managed care programs.

(2) Provision of services.

(3) Consumer education and public health education.

SECTION 12. IC 12-15-2-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 14. (a) An individual:

(1) who is less than ~~one (1) year~~ **nineteen (19) years** of age;

(2) who is not described in 42 U.S.C. 1396a(a)(10)(A)(i); and

(3) whose family income does not exceed the income level

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established in subsection (b);

is eligible to receive Medicaid.

(b) An individual described in this section is eligible to receive Medicaid, subject to 42 U.S.C. 1396a et seq., if the individual's family income does not exceed one hundred fifty percent (150%) of the federal income poverty level for the same size family.

(c) The office may apply a resource standard in determining the eligibility of an individual described in this section.

SECTION 13. IC 12-15-2-15.7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 15.7. ~~(a)~~ An individual who is less than nineteen (19) years of age and who is eligible for Medicaid under ~~sections~~ **section** 14 ~~through 15.6~~ of this chapter is eligible to receive Medicaid until the earlier of the following:

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

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

~~(b) This section expires August 31, 1999.~~

SECTION 14. IC 12-15-4-5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 5. The office shall implement outreach strategies that build on community resources.**

SECTION 15. IC 12-15-20-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 2. The Medicaid indigent care trust fund is established to pay the state's share of the following:

(1) Enhanced disproportionate share payments to providers under IC 12-15-19.

(2) Disproportionate share payments and significant disproportionate share payments for certain outpatient services under IC 12-15-17-3.

(3) Medicaid payments for pregnant women described in IC 12-15-2-13 and infants and children described in IC 12-15-2-14. ~~IC 12-15-2-15, and IC 12-15-2-15.5.~~

(4) Municipal disproportionate share payments to providers under IC 12-15-19-8.

SECTION 16. IC 12-15-33-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. The Medicaid advisory committee is created to act in an advisory capacity to the **following:**

(1) The office in the administration of the Medicaid program.

(2) The children's health policy board established by

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IC 4-23-27-2 in the board's responsibility to direct policy coordination of children's health programs.

SECTION 17. IC 12-15-33-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. The committee shall be appointed as follows:

(1) One (1) member shall be appointed by the administrator of the office to represent each of the following organizations:

(A) Indiana Council of Community Mental Health Centers.

(B) Indiana State Medical Association.

(C) Indiana State Chapter of the American Academy of Pediatrics.

(D) Indiana Hospital Association.

(E) Indiana Dental Association.

(F) Indiana State Psychiatric Association.

(G) Indiana State Osteopathic Association.

(H) Indiana State Nurses Association.

(I) Indiana State Licensed Practical Nurses Association.

(J) Indiana State Podiatry Association.

(K) Indiana Health Care Association.

(L) Indiana Optometric Association.

(M) Indiana Pharmaceutical Association.

(N) Indiana Psychological Association.

(O) Indiana State Chiropractic Association.

(P) Indiana Ambulance Association.

(Q) Indiana Association for Home Care.

(R) Indiana Academy of Ophthalmology.

(S) Indiana Speech and Hearing Association.

(2) ~~Eight (8)~~ **Ten (10)** members shall be appointed by the governor as follows:

(A) One (1) member who represents agricultural interests.

(B) One (1) member who represents business and industrial interests.

(C) One (1) member who represents labor interests.

(D) One (1) member who represents insurance interests.

(E) One (1) member who represents a statewide taxpayer association.

(F) Two (2) members who are parent advocates.

~~(F)~~ **(G)** Three (3) members who represent Indiana citizens.

(3) One (1) member shall be appointed by the president pro tempore of the senate acting in the capacity as president pro tempore of the senate to represent the senate.

(4) One (1) member shall be appointed by the speaker of the

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house of representatives to represent the house of representatives.

SECTION 18. IC 12-17.6 IS ADDED TO THE INDIANA CODE AS A **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

ARTICLE 17.6. CHILDREN'S HEALTH INSURANCE PROGRAM

Chapter 1. Definitions

Sec. 1. The definitions in this chapter apply throughout this article.

Sec. 2. "Crowd out" means the extent to which:

(1) families substitute coverage offered under the program for employer sponsored health insurance coverage for children; or

(2) employers:

(A) reduce or eliminate health insurance benefits for children under an employer based health insurance plan; or

(B) increase the employee's share of the cost of benefits for children under an employer based health insurance plan relative to the total cost of the plan;

as a result of the program.

Sec. 3. "Fund" refers to the children's health insurance program fund established by IC 12-17.6-7-1.

Sec. 4. "Office" refers to the office of the children's health insurance program established by IC 12-17.6-2-1.

Sec. 5. "Program" refers to the children's health insurance program established by IC 12-17.6-2.

Sec. 6. "Provider" has the meaning set forth in IC 12-7-2-149(2).

Chapter 2. Program Administration

Sec. 1. The office of the children's health insurance program is established within the office of the secretary.

Sec. 2. The office shall design and administer a system to provide health benefits coverage for children eligible for the program.

Sec. 3. To the greatest extent possible, the office shall use the same:

(1) eligibility determination;

(2) enrollment;

(3) provider networks; and

(4) claims payment systems;

as are used by the Medicaid managed care program for children.

Sec. 4. The office shall evaluate the feasibility of the following:

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(1) Establishing a program to subsidize employer sponsored coverage under the program.

(2) Expanding health insurance coverage under the program to other populations as provided under section 2105(c)(3) of the federal Social Security Act.

Sec. 5. Reviews of the program shall:

(1) be conducted in compliance with federal requirements; and

(2) include an analysis of the extent to which crowd out is occurring.

Sec. 6. The office shall do the following:

(1) Establish performance criteria and evaluation measures.

(2) Monitor program performance.

(3) Adopt a sliding scale formula that:

(A) specifies the premiums, if any, to be paid by the parent or guardian of a child enrolled in the program; and

(B) is based on the child's family income.

Sec. 7. (a) The office shall contract with an independent organization to evaluate the program.

(b) The office shall report the results of each evaluation to the children's health policy board established by IC 4-23-27-2.

(c) This section does not modify the requirements of other statutes relating to the confidentiality of medical records.

Sec. 8. The office may, in administering the program, contract with community entities, including private entities, to do the following:

(1) Outreach for and enrollment in the managed care program.

(2) Provision of services.

(3) Consumer education and public health education.

Sec. 9. (a) The office shall incorporate creative methods, reflective of community level objectives and input, to do the following:

(1) Encourage beneficial and appropriate use of health care services.

(2) Pursue efforts to enhance provider availability.

(b) In determining the best approach for each area, the office shall do the following:

(1) Evaluate distinct market areas.

(2) Weigh the advantages and disadvantages of alternative delivery models, including the following:

(A) Risk based managed care only.

C o p y

(B) Primary care gatekeeper model only.

(C) A combination of clauses (A) and (B).

Sec. 10. (a) The office may establish a program to subsidize employer sponsored coverage for:

(1) eligible individuals; and

(2) the families of eligible individuals;

consistent with federal law.

(b) If the office establishes a program under subsection (a), the employer sponsored benefit package must comply with federal law.

Sec. 11. (a) The office shall adopt rules under IC 4-22-2 to implement the program.

(b) The office may adopt emergency rules under IC 4-22-2-37.1 to implement the program on an emergency basis.

Sec. 12. Not later than April 1, the office shall provide a report describing the program's activities during the preceding calendar year to the:

(1) budget committee;

(2) legislative council; and

(3) children's health policy board established by IC 4-23-27-2.

Chapter 3. Eligibility, Outreach, and Enrollment

Sec. 1. This chapter does not apply until January 1, 2000.

Sec. 2. (a) To be eligible to enroll in the program, a child must meet the following requirements:

(1) The child is less than nineteen (19) years of age.

(2) The child is a member of a family with an annual income of:

(A) more than one hundred fifty percent (150%); and

(B) not more than two hundred percent (200%);

of the federal income poverty level.

(3) The child is a resident of Indiana.

(4) The child meets all eligibility requirements under Title XXI of the federal Social Security Act.

(5) The child's family agrees to pay any cost sharing amounts required by the office.

(b) The office may adjust eligibility requirements based on available program resources under rules adopted under IC 4-22-2.

Sec. 3. (a) Subject to subsection (b), a child who is eligible for the program shall receive services from the program until the earlier of the following:

(1) The end of a period of twelve (12) consecutive months following the determination of the child's eligibility for the program.

C o p y

(2) The child becomes nineteen (19) years of age.

(b) Subsection (a) applies only if the child and the child's family comply with enrollment requirements.

Sec. 4. The office shall implement outreach strategies that build on community resources.

Sec. 5. A child may apply at an enrollment center as provided in IC 12-15-4-1 to receive health care services from the program if the child meets the eligibility requirements of section 2 of this chapter.

Chapter 4. Benefits, Crowd Out, and Cost Sharing

Sec. 1. This chapter does not apply until January 1, 2000.

Sec. 2. The benefit package provided under the program shall:

(1) comply with federal law;

(2) focus on age appropriate preventive, primary, and acute care services; and

(3) include physician services (as defined in 42 U.S.C. 1395x(q)) provided by a physician (as defined in 42 U.S.C. 1395x(r)).

Sec. 3. If the state prohibits private individual and group health insurance plans from imposing:

(1) treatment limitations; or

(2) financial requirements;

on the coverage of services for a mental illness if similar limitations or requirements are not imposed on the coverage of services for other medical or surgical conditions, the program shall provide the same prohibitions beginning on the same date as the prohibition is implemented for private individual and group health insurance plans.

Sec. 4. Premium and cost sharing amounts established by the office are limited by the following:

(1) Deductibles, coinsurance, or other cost sharing are not permitted with respect to benefits for well-baby and well-child care, including age appropriate immunizations.

(2) Premiums and other cost sharing may be imposed based on family income. However, the total annual aggregate cost sharing with respect to all children in a family under this article may not exceed five percent (5%) of the family's income for the year.

Sec. 5. The office may do the following:

(1) Determine cost sharing amounts.

(2) Determine waiting periods that may not exceed three (3) months and exceptions to the requirement of waiting periods

C o p y

for potential enrollees in the program.

(3) Adopt additional methods for complying with federal requirements relating to crowd out.

Sec. 6. (a) It is a violation of IC 27-4-1-4 if an insurer, or an insurance agent or insurance broker compensated by the insurer, knowingly or intentionally refers an insured or the dependent of an insured to the program for health insurance coverage when the insured already receives health insurance coverage through an employer's health care plan that is underwritten by the insurer.

(b) The office shall coordinate with the children's health policy board under IC 4-23-27 to evaluate the need for mechanisms that minimize the incentive for an employer to eliminate or reduce health care coverage for an employee's dependents.

Sec. 7. Community health centers shall be utilized to provide health care services.

Chapter 5. Provider Contracts

Sec. 1. This chapter does not apply until January 1, 2000.

Sec. 2. A provider agreement must include information that the office finds necessary to facilitate carrying out IC 12-17.6.

Sec. 3. A provider who participates in the program, including a provider who is a member of a managed care organization, must comply with the enrollment requirements that are established under IC 12-15.

Sec. 4. (a) A provider that participates in the Medicaid managed care program for children is considered a provider for purposes of the program.

(b) A provider that enters into a provider agreement with the program under this chapter is considered a provider in the Medicaid managed care program for children.

(c) If an enrollee in the Medicaid managed care program for children has direct access to a provider who has entered into a provider agreement under IC 12-15-11, an enrollee in the program has direct access to the same provider.

Chapter 6. Provider Sanctions, Theft, Kickbacks, and Bribes

Sec. 1. This chapter does not apply until January 1, 2000.

Sec. 2. If after investigation the office finds that a provider has violated this article or rule adopted under this article, the office may impose at least one (1) of the following sanctions:

(1) Deny payment to the provider for program services provided during a specified time.

(2) Reject a prospective provider's application for participation in the program.

C o p y

(3) Terminate a provider agreement allowing a provider's participation in the program.

(4) Assess a civil penalty against the provider in an amount not to exceed three (3) times the amount paid to the provider in excess of the amount that was legally due.

(5) Assess an interest charge, at a rate not to exceed the rate established by IC 24-4.6-1-101(2) for judgments on money, on the amount paid to the provider in excess of the amount that was legally due. The interest charge accrues from the date of the overpayment to the provider.

Sec. 3. In addition to any sanction imposed on a provider under section 2 of this chapter, a provider convicted of an offense under IC 35-43-5-7.2 is ineligible to participate in the program for ten (10) years after the conviction.

Sec. 4. A provider may appeal a sanction imposed under section 2 of this chapter under rules concerning Medicaid provider appeals that are adopted by the secretary under IC 4-22-2.

Sec. 5. After exhausting all administrative remedies, a provider may obtain judicial review of a sanction under IC 4-21.5-5.

Sec. 6. A final directive made by the office that:

(1) denies payment to a provider for medical services provided during a specified period of time; or

(2) terminates a provider agreement permitting a provider's participation in the program;

must direct the provider to inform each eligible recipient of services, before services are provided, that the office will not pay for those services if provided.

Sec. 7. Subject to section 8 of this chapter, a final directive:

(1) denying payment to a provider;

(2) rejecting a prospective provider's application for participation in the program; or

(3) terminating a provider agreement allowing a provider's participation in the program;

must be for a sufficient time, in the opinion of the office, to allow for the correction of all deficiencies or to prevent further abuses.

Sec. 8. Except as provided in section 10 of this chapter, a provider sanctioned under section 2 of this chapter may not be declared reinstated as a provider under this article until the office has received the following:

(1) Full repayment of the amount paid to the provider in excess of the proper and legal amount due, including any interest charge assessed by the office.

C o p y

(2) Full payment of a civil penalty assessed under section 2(4) of this chapter.

Sec. 9. Except as provided in section 10 of this chapter, a provider sanctioned under section 2 of this chapter may file an agreement as provided in IC 12-17.6-5.

Sec. 10. A provider who has been:

(1) convicted of a crime relating to the provision of services under this chapter; or

(2) subjected to a sanction under section 2 of this chapter on three (3) separate occasions by directive of the office;

is ineligible to submit claims for the program.

Sec. 11. Evidence that a person or provider received money or other benefits as a result of a violation of:

(1) a provision of this article; or

(2) a rule established by the office under this article;

constitutes prima facie evidence, for purposes of IC 35-43-4-2, that the person or provider intended to deprive the state of a part of the value of the money or benefits.

Sec. 12. A person who furnishes items or services to an individual for which payment is or may be made under this chapter and who knowingly or intentionally solicits, offers, or receives a:

(1) kickback or bribe in connection with the furnishing of the items or services or the making or receipt of the payment; or

(2) rebate of a fee or charge for referring the individual to another person for the furnishing of items or services;

commits a Class A misdemeanor.

Chapter 7. Funding

Sec. 1. The children's health insurance program fund is established for the purpose of paying expenses relating to:

(1) the program;

(2) services offered through the program for children enrolled in the program; and

(3) services and administration eligible for reimbursement under Title XXI of the federal Social Security Act for children enrolled in Medicaid under IC 12-15-2-14.

Sec. 2. The office shall administer the fund.

Sec. 3. The fund consists of the following:

(1) Amounts appropriated by the general assembly.

(2) Amounts appropriated by the federal government.

(3) Fees, charges, gifts, grants, donations, money received from any other source, and other income funds as may become available.

C o p y

Sec. 4. The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

Sec. 5. Money in the fund at the end of a state fiscal year does not revert to the state general fund.

Chapter 8. Appeals and Hearings

Sec. 1. This chapter does not apply until January 1, 2000.

Sec. 2. An applicant for or a recipient of services under the program may appeal to the office if at least one (1) of the following occurs:

(1) An application or a request is not acted upon by the office within a reasonable time after the application or request is filed.

(2) The application is denied.

(3) The applicant or recipient is dissatisfied with the action of the office.

Sec. 3. The secretary shall conduct hearings and appeals concerning the program under IC 4-21.5.

Sec. 4. The office shall, upon receipt of notice of appeal under section 2 of this chapter, set the matter for hearing and give the applicant or recipient an opportunity for a fair hearing in the county in which the applicant or recipient resides.

Sec. 5. (a) At a hearing held under section 4 of this chapter, the applicant or recipient and the office may introduce additional evidence.

(b) A hearing held under section 4 of this chapter shall be conducted under rules adopted by the secretary for applicants and recipients of Medicaid that are not inconsistent with IC 4-21.5 and the program.

Sec. 6. The office:

(1) may make necessary additional investigations; and

(2) shall make decisions concerning the:

(A) granting of program services; and

(B) amount of program services to be granted;

to an applicant or a recipient that the office believes are justified and in conformity with the program.

Chapter 9. Confidentiality and Release of Information

Sec. 1. This chapter does not apply until January 1, 2000.

Sec. 2. The following concerning a program applicant or recipient under the program are confidential, except as otherwise provided in this chapter:

(1) An application.

C o p y

(2) An investigation report.
(3) An information.
(4) A record.

Sec. 3. The use and the disclosure of the information described in this chapter to persons authorized by law in connection with the official duties relating to:

(1) financial audits;
(2) legislative investigations; or
(3) other purposes directly connected with the administration of the program;

is authorized.

Sec. 4. (a) The release and use of information of a general nature shall be provided as needed for adequate interpretation or development of the program.

(b) The information described in subsection (a) includes the following:

(1) Total program expenditures.
(2) The number of recipients.
(3) Statistical and social data used in connection with studies.
(4) Reports or surveys on health and welfare problems.

Sec. 5. The office shall make available the following to providers for immediate access to information indicating whether an individual is eligible for the program:

(1) A twenty-four (24) hour telephone system.
(2) A computerized data retrieval system.

Sec. 6. Information released under section 5 of this chapter is limited to the following:

(1) Disclosure of whether an individual is eligible for the program.
(2) The date the individual became eligible for the program and the individual's program number.
(3) Restrictions, if any, on the scope of services to be reimbursed under the program for the individual.

Sec. 7. Information obtained by a provider under this chapter concerning an individual's eligibility for the program is confidential and may not be disclosed to any person.

Sec. 8. If it is established that a provision of this chapter causes the program to be ineligible for federal financial participation, the provision is limited or restricted to the extent that is essential to make the program eligible for federal financial participation.

SECTION 19. IC 12-29-2.2 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE

C o p y

JANUARY 1, 2000]:

Chapter 2.2. Governing Board of Edgewater Systems for a Balanced Living

Sec. 1. (a) This chapter applies to a center that is located in a city having a population of more than one hundred ten thousand (110,000) but less than one hundred twenty thousand (120,000).

(b) This chapter does not apply to a center operated by an agency of the United States.

Sec. 2. (a) For each center there is a governing board. The governing board is responsible for the overall operation of the center.

(b) Except as provided in this chapter, a governing board operates and is organized as provided in the documents establishing the center.

Sec. 3. (a) The governing board of a center consists of fifteen (15) members.

(b) Each member of the governing board must have experience or knowledge in finance, business administration, or social services.

Sec. 4. Subject to this chapter, the members of the governing board are appointed as follows:

(1) The county commissioner who represents the district where the center is located shall appoint one (1) resident of the area served by the center to serve as a member.

(2) The county council of the county in which the center is located shall appoint one (1) resident of the area served by the center to serve as a member.

(3) The circuit court judge of the county in which the center is located shall appoint two (2) residents of the area served by the center as members.

(4) The county director of the county in which the center is located shall appoint one (1) resident of the area served by the center as a member.

(5) The trustee of the largest township that is served by the center shall appoint two (2) residents of the area served by the center as members.

(6) The mayor of the largest municipality served by the center shall appoint three (3) residents of the area served by the center as members.

(7) The school board of the largest school corporation served by the center shall appoint one (1) resident of the area served by the center as a member.

(8) The governing board of the largest hospital served by the

C o p y

center shall appoint one (1) resident of the area served by the center as a member.

(9) The city council or town board of the largest municipality served by the center shall appoint three (3) residents of the area served by the center as members.

Sec. 5. (a) The term of an individual appointed as a member of the governing board begins on the later of the following:

(1) The day the term of the member whom the individual is appointed to succeed expires.

(2) The day the individual is appointed.

(b) The term of a member of the governing board expires January 1 of the fourth year after the member's current term began.

(c) Subject to section 6 of this chapter, a member of the governing board may be reappointed to a new term. A member reappointed under this subsection is the member's own successor for purposes of subsection (a).

Sec. 6. An individual may not serve on the governing board of a center for more than eight (8) years in any nine (9) year period.

Sec. 7. The appointing authority of a member shall appoint an individual qualified under this chapter to fill a vacancy of a member for the remainder of the member's unexpired term.

SECTION 20. IC 16-41-40-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) A program established under this chapter must include the distribution of readily understandable information and instructional materials regarding shaken baby syndrome, explaining its medical effects on infants and children and emphasizing preventive measures.

(b) The information and instructional materials described in subsection (a) must be provided without cost by the following:

(1) Each hospital licensed under IC 16-21, to a parent or guardian of each newborn upon discharge from the hospital.

(2) The division of family and children to each provider (as defined in IC 12-7-2-149(4)) ~~or IC 12-7-2-149(5))~~ when:

(A) the provider applies for a license from the division under IC 12-17.2 or IC 12-17.4; or

(B) the division inspects a facility operated by a provider.

SECTION 21. IC 35-43-5-7.2 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: **Sec. 7.2. (a) Except as provided in subsection (b), a person who knowingly or intentionally:**

(1) files a children's health insurance program claim,

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including an electronic claim, in violation of IC 12-17.6;

(2) obtains payment from the children's health insurance program under IC 12-17.6 by means of a false or misleading oral or written statement or other fraudulent means;

(3) acquires a provider number under the children's health insurance program except as authorized by law;

(4) alters with intent to defraud or falsifies documents or records of a provider (as defined in 42 CFR 1002.301) that are required to be kept under the children's health insurance program; or

(5) conceals information for the purpose of applying for or receiving unauthorized payments from the children's health insurance program;

commits insurance fraud, a Class D felony.

(b) The offense described in subsection (a) is a Class C felony if the fair market value of the offense is at least fifty thousand dollars ($50,000).

SECTION 22. THE FOLLOWING ARE REPEALED [EFFECTIVE UPON PASSAGE]: IC 12-7-2-139.1; IC 12-17-18.

SECTION 23. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 1999]: IC 12-15-2-15; IC 12-15-2-15.5.

SECTION 24. [EFFECTIVE UPON PASSAGE] **(a) The office may apply to the Secretary of the United States Department of Health and Human Services for a waiver to provide family coverage under the children's health insurance program under IC 12-17.6 when it is economically efficient to provide family coverage.**

(b) This SECTION expires January 1, 2001.

SECTION 25. [EFFECTIVE JANUARY 1, 2000] **(a) The office shall establish a demonstration project in a community to provide mental health services in a managed care setting to participants in the children's health insurance program and others as determined by the office.**

(b) This SECTION expires January 1, 2002.

SECTION 26. [EFFECTIVE UPON PASSAGE] **(a) This SECTION applies only to the governing board of a member's community mental health center described by IC 12-29-2.2, as added by this act.**

(b) As used in this SECTION, "center" refers to a community mental health center (as defined in IC 12-7-2-38).

(c) Notwithstanding any other law, the term of office of a member of the governing board of a center who is a member of the governing board on December 31, 1999, expires January 1, 2000.

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(d) Before January 1, 2000, an appointing authority listed under IC 12-29-2.2-4, as added by this act, shall appoint for each center the members of the governing board that the appointing authority is authorized to appoint. Each member appointed to the governing board must have experience or knowledge in finance, business administration, or social services. Notwithstanding IC 12-29-2.2-5, as added by this act, the terms of the members of the governing board of each center appointed under this subsection expire as follows:

(1) The term of the member appointed by the county commissioner expires January 1, 2002.

(2) The term of the member appointed by the county council expires January 1, 2003.

(3) The terms of the members appointed by the circuit court judge expire as follows:

(A) One (1) term expires January 1, 2002.

(B) One (1) term expires January 1, 2004.

(4) The term of the member appointed by the county director expires January 1, 2003.

(5) The terms of the members appointed by the trustee expire as follows:

(A) One (1) term expires January 1, 2002.

(B) One (1) term expires January 1, 2004.

(6) The terms of the members appointed by the mayor expire as follows:

(A) One (1) term expires January 1, 2002.

(B) One (1) term expires January 1, 2003.

(C) One (1) term expires January 1, 2004.

(7) The term of the member appointed by the school board expires January 1, 2003.

(8) The term of the member appointed by the governing board of the hospital expires January 1, 2004.

(9) The terms of the members appointed by the city council or town board expire as follows:

(A) One (1) term expires January 1, 2002.

(B) One (1) term expires January 1, 2003.

(C) One (1) term expires January 1, 2004.

(e) This SECTION expires January 1, 2004.

SECTION 27. An emergency is declared for this act.

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SENATE MOTION

Mr. President: I move that Senator Simpson be added as second author and Senator Young be added as coauthor of Senate Bill 605.

MILLER

SENATE MOTION

Mr. President: I move that Senator Johnson be added as coauthor of Senate Bill 605.

MILLER

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COMMITTEE REPORT

Mr. President: The Senate Committee on Health and Provider Services, to which was referred Senate Bill No. 605, 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 4, line 28, delete "chair of the state advisory council on the education of" and insert "**director of the division of special education created under IC 20-1-6-2.1.**".

Page 4, delete line 29.

Page 4, between lines 33 and 34, begin a new line block indented and insert:

"**(9) Three (3) parents of children who are enrolled in the:**

(A) children's health insurance program under IC 12-17.6; or

(B) Medicaid managed care program for children.".

Page 4, line 37, delete "and".

Page 4, line 37, after "3(8)" insert "**, and 3(9)**".

Page 5, line 7, delete "(a) Six (6)" and insert "**Eight (8)**".

Page 5, delete lines 9 through 10.

Page 9, between lines 3 and 4, begin a new paragraph and insert:

"SECTION 9. IC 12-8-1-14 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 14. The office of the secretary shall improve its system through the use of technology and training of staff to do the following:**

(1) Simplify, streamline, and destigmatize the eligibility and enrollment processes in all health programs serving children.

(2) Ensure an efficient provider payment system.

(3) Improve service to families.

(4) Improve data quality for program assessment and evaluation.".

Page 10, between lines 1 and 2, begin a new paragraph and insert:

"SECTION 11. IC 12-15-1-19 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 19. The office may, in administering managed care programs, contract with community entities, including private entities, to provide:**

(1) outreach for and enrollment in the managed care programs;

(2) services; and

(3) consumer education and public health education.".

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Page 11, line 7, delete "directing" and insert "**the board's responsibility to direct**".

Page 11, between lines 8 and 9, begin a new paragraph and insert:

"SECTION 17. IC 12-15-33-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. The committee shall be appointed as follows:

(1) One (1) member shall be appointed by the administrator of the office to represent each of the following organizations:

(A) Indiana Council of Community Mental Health Centers.

(B) Indiana State Medical Association.

(C) Indiana State Chapter of the American Academy of Pediatrics.

(D) Indiana Hospital Association.

(E) Indiana Dental Association.

(F) Indiana State Psychiatric Association.

(G) Indiana State Osteopathic Association.

(H) Indiana State Nurses Association.

(I) Indiana State Licensed Practical Nurses Association.

(J) Indiana State Podiatry Association.

(K) Indiana Health Care Association.

(L) Indiana Optometric Association.

(M) Indiana Pharmaceutical Association.

(N) Indiana Psychological Association.

(O) Indiana State Chiropractic Association.

(P) Indiana Ambulance Association.

(Q) Indiana Association for Home Care.

(R) Indiana Academy of Ophthalmology.

(S) Indiana Speech and Hearing Association.

(2) ~~Eight (8)~~ **Ten (10)** members shall be appointed by the governor as follows:

(A) One (1) member who represents agricultural interests.

(B) One (1) member who represents business and industrial interests.

(C) One (1) member who represents labor interests.

(D) One (1) member who represents insurance interests.

(E) One (1) member who represents a statewide taxpayer association.

(F) Two (2) members who are parent advocates.

~~(F)~~ **(G)** Three (3) members who represent Indiana citizens.

(3) One (1) member shall be appointed by the president pro tempore of the senate acting in the capacity as president pro tempore of the senate to represent the senate.

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(4) One (1) member shall be appointed by the speaker of the house of representatives to represent the house of representatives.".

Page 11, line 17, after "the" insert "**extent to which**".

Page 11, delete lines 18 through 22, begin a new line block indented and insert:

"**(1) families substitute coverage offered under the program for employer sponsored health insurance coverage for children; and**

(2) employers:

(A) reduce or eliminate health insurance benefits for children under an employer based health insurance plan; or

(B) increase the employee's share of the cost of benefits for children under an employer based health insurance plan relative to the total cost of the plan;

as a result of the program.".

Page 12, line 7, delete "and evaluations".

Page 12, between lines 18 and 19, begin a new paragraph and insert:

"**Sec. 7. (a) The office shall contract with an independent organization to evaluate the program.**

(b) An evaluation of the program must occur one (1) time every two (2) years.

(c) The office shall report the results of each evaluation to the children's health policy board established by IC 4-23-27-2.

(d) This section does not modify the requirements of other statutes relating to the confidentiality of medical records.

Sec. 8. The office may, in administering the program, contract with community entities, including private entities, to provide:

(1) outreach for and enrollment in the managed care program;

(2) services; and

(3) consumer education and public health education.

Sec. 9. (a) The office shall incorporate creative methods, reflective of community level objectives and input, to do the following:

(1) Encourage beneficial and appropriate use of health care services.

(2) Pursue efforts to enhance provider availability.

(b) In determining the best approach for each area, the office shall, in collaboration with communities, do the following:

(1) Evaluate distinct market areas.

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(2) Weigh the advantages and disadvantages of alternative delivery models, including the following:

(A) Risk based managed care only.

(B) Primary care gatekeeper model only.

(C) A combination of clauses (A) and (B).

Sec. 10. (a) The office may establish a program to subsidize employer sponsored coverage for:

(1) eligible individuals; and

(2) the families of eligible individuals;

consistent with federal law.

(b) If the office establishes a program under subsection (a), the employer sponsored benefit package must comply with federal law.".

Page 12, line 19, delete "7" and insert "**11**".

Page 12, line 23, delete "8" and insert "**12**".

Page 12, line 26, delete "and".

Page 12, line 27, delete "." and insert "**; and**

(3) children's health policy board established by IC 4-23-27-2.".

Page 12, after line 42, begin a new line block indented and insert:

"**(6) Except as provided in subsection (b), the child must be uninsured for a period that does not exceed three (3) months as determined by the office.**

(b) The following are exempt from the requirement under subsection (a)(6):

(1) A child who is a member of the high risk pool and who has ongoing medical needs.

(2) A child who loses coverage through the termination of a parent's employer plan.

(3) A child whose parents have lost jobs with insurance coverage.

(4) A child who loses insurance coverage due to the divorce of the child's parents.".

Page 13, line 1, delete "(b)" and insert "**(c)**".

Page 13, line 11, delete "all".

Page 13, line 20, after "2." insert "**(a)**".

Page 13, line 20, delete ":" and insert "**focus on age appropriate preventive, primary, and acute care services.**

(b) The office shall offer health insurance coverage for the following basic services:

(1) Inpatient and outpatient hospital services.

(2) Physicians' services provided by a physician (as defined in

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42 U.S.C. 1395x(r)).

(3) Laboratory and x-ray services.

(4) Well-baby and well-child care, including:

(A) age appropriate immunizations; and

(B) periodic screening, diagnosis, and treatment services according to a schedule developed by the office.

The office may offer services in addition to those listed in this subsection if appropriations to the program exist to pay for the additional services.

(c) The office shall offer health insurance coverage for the following additional services if the coverage for the services has an actuarial value equal to the actuarial value of the services provided by the benchmark program determined by the children's health policy board established by IC 4-23-27-2:

(1) Prescription drugs.

(2) Mental health services.

(3) Vision services.

(4) Hearing services.

(5) Dental services.

(d) Notwithstanding subsections (b) and (c), 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.

(e) The children's health policy board established by IC 4-23-27-2 shall annually:

(1) review the benefits provided to program enrollees; and

(2) adjust the benefits as needed to remain within the program's appropriations.".

Page 13, delete lines 21 through 26.

Page 13, line 28, delete "to" and insert "**by**".

Page 13, line 37, delete "adopt rules under IC 4-22-2 to".

Page 13, line 39, delete "program benefits and".

Page 13, line 40, delete "Implement" and insert "**Determine**".

Page 14, line 10, delete "standards" and insert "**mechanisms**".

Page 14, between lines 12 and 13, begin a new paragraph and insert:

"**Sec. 6. Community health centers shall be used to provide health care services.**".

Page 14, between lines 30 and 31, begin a new paragraph and insert:

"**(c) If an enrollee in the Medicaid managed care program for children has direct access to a provider who has entered into a provider agreement under IC 12-15-11, an enrollee in the program**

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has direct access to the same provider.".

Page 16, line 26, delete ". The fund is a revolving fund".

Page 16, line 27, delete "all".

Page 16, line 28, delete "and".

Page 16, delete lines 29 through 32, begin a new line block indented and insert:

"**(2) services offered through the program for children enrolled in the program; and**

(3) services and administration eligible for reimbursement under Title XXI of the federal Social Security Act for children enrolled in Medicaid under IC 12-15-2-14.".

Page 19, between lines 10 and 11, begin a new paragraph and insert:

"SECTION 20. IC 35-43-5-7.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 7.1. ~~(a) Except as provided in subsection (b),~~ A person who knowingly or intentionally:

(1) files a Medicaid claim, including an electronic claim, in violation of IC 12-15;

(2) obtains payment from the Medicaid program under IC 12-15 by means of a false or misleading oral or written statement or other fraudulent means;

(3) acquires a provider number under the Medicaid program except as authorized by law;

(4) alters with the intent to defraud or falsifies documents or records of a provider (as defined in 42 CFR 1002.301) that are required to be kept under the Medicaid program; or

(5) conceals information for the purpose of applying for or receiving unauthorized payments from the Medicaid program;

commits Medicaid fraud, a Class D felony.

~~(b) The offense described in subsection (a) is a Class C felony if the fair market value of the claim or payment is at least fifty thousand dollars ($50,000).~~".

Page 19, line 13, delete "(a) Except as provided".

Page 19, line 14, delete "in subsection (b), a" and insert "**A**".

Page 19, delete lines 30 through 32.

Page 19, delete lines 37 through 41, begin a new paragraph and insert:

"SECTION 24. P.L.130-1998, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE] (a) As used in this SECTION, "committee" refers to the select joint committee on Medicaid oversight established by this SECTION.

(b) As used in this SECTION, "office" refers to the office of Medicaid policy and planning.

C o p y

(c) The select joint committee on Medicaid oversight is established.

(d) The committee consists of twelve (12) voting members appointed as follows:

(1) Six (6) members shall be appointed by the president pro tempore of the senate, not more than three (3) of whom may be from the same political party.

(2) Six (6) members shall be appointed by the speaker of the house of representatives, not more than three (3) of whom may be from the same political party.

(e) A vacancy on the committee shall be filled by the appointing authority.

(f) The president pro tempore of the senate shall appoint a member of the committee to serve as chairman of the committee from January 31, 1998, until December 31, 1998.

(g) The speaker of the house of representatives shall appoint a member of the committee to serve as chairman of the committee from January 1, 1999, until December 31, 1999.

(h) The committee shall meet at the call of the chairman.

(i) The committee shall study, investigate, and oversee the following:

(1) Whether the contractor of the office under IC 12-15-30 that has responsibility for processing provider claims for payment under the Medicaid program has properly performed the terms of the contractor's contract with the state.

(2) Legislative and administrative procedures that are needed to eliminate Medicaid claims reimbursement backlogs, delays, and errors.

(3) The establishment and implementation of a case mix reimbursement system designed for Indiana Medicaid certified nursing facilities developed by the office.

(4) Any other matter related to Medicaid.

(5) All matters related to the children's health insurance program established by IC 12-17.6.

(j) If the office awards a contract for processing provider claims for payment before January 1, 1999, the office shall submit the contract to the:

(1) committee; and

(2) budget committee established by IC 4-12-1-3;

for review before signing the contract or a document related to the contract.

(k) The committee is under the jurisdiction of the legislative council. The legislative services agency shall provide staff support to

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the committee.

(l) Unless specifically authorized by the legislative council, the chairman may not create subcommittees.

(m) The committee may not recommend proposed legislation to the general assembly unless the proposed legislation is approved by a majority of the voting members appointed to serve on the committee. All votes taken by the committee must be:

(1) by roll call vote; and

(2) recorded.

(n) This SECTION expires December 31, ~~1999.~~ **2002.**

SECTION 25. [EFFECTIVE UPON PASSAGE] **(a) The office may apply to the Secretary of the United States Department of Health and Human Services for a waiver to provide family coverage from the children's health insurance program under IC 12-17.6 when it is economically efficient to provide family coverage.**

(b) This SECTION expires January 1, 2001.".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 605 as introduced.)

MILLER, Chairperson

Committee Vote: Yeas 9, Nays 0.

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SENATE MOTION

Mr. President: I move that Senate Bill 605 be amended to read as follows:

Page 25, after line 15, begin a new paragraph and insert:

"**SECTION 26. [EFFECTIVE JANUARY 1, 2000] (a) The office shall establish a demonstration project in a community to provide mental health services in a managed care setting to participants in the children's health insurance program and others as determined by the office.**

(b) This section expires January 1, 2002.".

(Reference is to SB 605 as printed February 17, 1999.)

SIMPSON

SENATE MOTION

Mr. President: I move that Senate Bill 605 be amended to read as follows:

Page 4, between lines 29 and 30, begin a new line block indented and insert:

"**(6) The director of the division of mental health.**".

Page 4, line 30, delete "(6)" and insert "**(7)**".

Page 4, line 32, delete "(7)" and insert "**(8)**".

Page 4, line 33, delete "(8)" and insert "**(9)**".

Page 4, line 34, delete "(9)" and insert "**(10)**".

Page 4, line 41, delete "3(6),".

Page 4, line 41, delete "and 3(9)" and insert "**3(9), and 3(10)**".

(Reference is to SB 605 as printed February 17, 1999.)

JOHNSON

SENATE MOTION

Mr. President: I move that Senate Bill 605 be amended to read as follows:

Page 14, line 8, delete "children's health policy board established by IC 4-23-27-2." and insert "**select joint committee on Medicaid oversight established by P.L. 130-1998.**".

Page 15, line 5, delete "children's health policy board established by IC 4-23-27-2." and insert "**select joint committee on Medicaid**

C o p y

oversight established by P.L. 130-1998.".

(Reference is to S.B. 605 as printed February 17, 1999.)

SIMPSON

SENATE MOTION

Mr. President: I move that Senate Bill 605 be amended to read as follows:

Page 22, line 37, reset in roman "(a) Except as".

Page 22, line 38, reset in roman "provided in subsection (b),".

Page 22, line 38, delete "A" and insert "a".

Page 23, reset in roman line 10.

Page 23, line 11, reset in roman "fair market value of the".

Page 23, line 11, after "claim or payment" insert "**offense**".

Page 23, line 11, reset in roman "is at least".

Page 23, line 11, after "fifty" and insert "**one hundred**".

Page 23, line 11, reset in roman "thousand".

Page 23, line 12, reset in roman "dollars".

Page 23, line 12, after "($50,000)" insert "**($100,000)**".

Page 23, line 15, delete "A" and insert "**(a) Except as provided in subsection (b), a**".

Page 23, between lines 31 and 32, begin a new paragraph and insert:

"**(b) The offense described in subsection (a) is a Class C felony if the fair market value of the offense is at least one hundred thousand dollars ($100,000).**".

Page 25, after line 15, begin a new paragraph and insert:

"SECTION 26. **An emergency is declared for this act.**".

(Reference is to SB 605 as printed February 17, 1999.)

MILLER

SENATE MOTION

Mr. President: I move that Senate Bill 605 be amended to read as follows:

Page 18, line 4, delete "program" and insert "**managed care program for children**".

Page 18, line 5, delete "as provided in IC 12-15-11".

Page 18, line 9, delete "program under IC 12-15" and insert "**managed care program for children**".

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Page 24, line 12, after "from" insert ":".

Page 24, line 12, before "January" begin a new line block indented and insert:

"**(1)**".

Page 24, line 13, delete "." and insert ";

(2) January 1, 2000, until December 31, 2000; and

(3) January 1, 2002, until December 31, 2002.".

Page 24, line 15, after "from" insert ":".

Page 24, line 16, before "January" begin a new line block indented and insert:

"**(1)**".

Page 24, line 16, delete "." and insert "**; and**

(2) January 1, 2001, until December 31, 2001.".

Page 25, after line 15, begin a new paragraph and insert:

"SECTION 26. **An emergency is declared for this act.**".

Renumber all SECTIONS consecutively.

(Reference is to SB 605 as printed February 17, 1999.)

MILLER

SENATE MOTION

Mr. President: I move that Senate Bill 605 be amended to read as follows:

Page 13, line 23, after "enrollment;" insert "**and**".

Page 13, line 24, delete "and".

Page 13, delete line 25.

Page 14, between lines 2 and 3, begin a new paragraph and insert:

"**Sec. 7. The office shall employ electronic claim administration, payment, and data collection systems that do the following:**

(1) Immediately advise a provider's office of any error in a claim submitted by the provider by type of error and line number of the error to allow a claim error to be corrected immediately. The claim may then be immediately repriced and adjudicated, and an explanation of benefits may be printed before the child leaves the provider's office.

(2) Provide claim related data available to the provider and the office in a manner that allows immediate analysis and reports created on the types and number of procedures performed throughout the state on the same day.

Sec. 8. (a) In order to comply with section 7 of this chapter, the

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office shall contract with a provider of electronic claim administration, payment, and data collection systems that meet the requirements of subsections (b) and (c).

(b) To increase the quality of care for children enrolled in the program by increasing periodic screening, diagnosis, and treatment services compliance rates for immunization and other wellness and preventive medical procedures, the office shall provide to the child's family at the point of service the status of the child's:

(1) scheduled immunizations;

(2) preventive medicine;

(3) wellness procedures; and

(4) any periodic screening, diagnosis, and treatment services or related information;

to remind providers and the child's family to schedule specific visits and procedures.

(c) To increase the convenience and decrease the administrative related tasks for both the child's family and the provider, the office shall do the following:

(1) Calculate any copayment due by the child's family at the point of service.

(2) Make available the amount paid toward the deductible to date by the child's family at the point of service.

(3) Calculate the exact amount that will be paid to the provider and pay the provider that amount through wire transfer at a date of the office's choosing.

(4) Allow a claim with an error to be repriced and adjudicated by instructing the provider's staff of the type and line number of any claim error immediately.".

Page 14, line 3, delete "7." and insert "**9.**".

Page 14, line 11, delete "8." and insert "**10.**".

Page 14, line 17, delete "9." and insert "**11.**".

Page 14, line 31, delete "10." and insert "**12.**".

Page 14, line 38, delete "11." and insert "**13.**".

Page 14, line 42, delete "12." and insert "**14.**".

(Reference is to SB 0605 as printed February 17, 1999.)

JOHNSON

C o p y

SENATE MOTION

Mr. President: I move that Senator Zakas be added as coauthor of Senate Bill 605.

MILLER

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Health, to which was referred Senate Bill 605, 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 15.
Delete pages 2 through 5.
Page 6, delete line 1.
Page 7, delete lines 13 through 42.
Delete page 8.
Page 9, delete lines 1 through 5.
Page 10, delete lines 15 through 42.
Page 11, delete lines 1 through 4.
Page 11, delete lines 9 through 22.
Page 11, delete lines 31 through 42.
Delete pages 12 through 22.
Page 23, delete lines 1 through 37.
Page 24, delete lines 15 through 40.
Page 25, line 40, delete "IC 12-17.6" and insert "**IC 12-17-18**".
Page 26, delete lines 18 through 29.
Renumber all SECTIONS consecutively,

and when so amended that said bill do pass.

(Reference is to SB 605 as reprinted February 24, 1999.)

BROWN C, Chair

Committee Vote: yeas 12, nays 0.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Senate Bill 605, 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:

Delete the Committee Report of the House Public Health Committee adopted April 5, 1999.

Page 4, delete line 30.

Page 4, line 31, delete "7" and insert "**6**".

Page 4, line 33, delete "8" and insert "**7**".

Page 4, line 34, delete "9" and insert "**8**".

Page 4, line 35, delete "10" and insert "**9**".

Page 4, line 42, delete "3(7), 3(8), 3(9), and 3(10)" and insert "**3(6), 3(7), 3(8), and 3(9)**".

Page 5, line 31, after "children" insert "**, with a focus on children**".

Page 5, line 31, after "needs" insert "**,**".

Page 6, between lines 15 and 16, begin a new line block indented and insert:

"**(7) The state superintendent of public instruction.**

Sec. 4. The governor may appoint a member of the board listed under section 3(2) through 3(7) of this chapter as chair of the board.".

Page 6, line 16, delete "4" and insert "**5**".

Page 6, line 19, delete "5" and insert "**6**".

Page 6, line 20, delete "In addition to the meetings held under subsection (a), the" and insert "**The**".

Page 6, line 21, delete "as determined by the chair" and insert "**in diverse locations throughout the state at least three (3) times each year**".

Page 6, line 22, delete "6" and insert "**7**".

Page 6, line 27, delete "maximum use of funding for various programs" and insert "**use of various program funding for maximum efficiency**".

Page 6, line 28, delete "maximum" and insert "**optimal**".

Page 6, line 32, delete "Future technology needs." and insert "**Technology needs, including technology to coordinate payment for services provided through the children's health insurance program under IC 12-17.6 with:**

(i) services provided to children with special health needs; and

(ii) public health programs designed to protect all children.".

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Page 6, line 33, delete "develop" and insert "**implement**".

Page 6, line 39, delete "that is easy to access for both" and insert "**easily accessible by**".

Page 7, line 8, delete "Collecting" and insert "**Reviewing**".

Page 7, between lines 9 and 10, begin a new line block indented and insert:

"**(4) Overseeing implementation of the children's health insurance program under IC 12-17.6, including:**

(A) reviewing:

(i) benefits provided by;

(ii) eligibility requirements for; and

(iii) each evaluation of;

the children's health insurance program on an annual basis in light of available funding; and

(B) making recommendations for changes to the children's health insurance program to the office of the children's health insurance program established under IC 12-17.6-2-1.".

Page 7, line 10, delete "7" and insert "**8**".

Page 7, between lines 12 and 13, begin a new paragraph and insert:

"SECTION 4. IC 12-7-2-26 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]: Sec. 26. "Center", for purposes of IC 12-26 **and IC 12-29-2.2,** means a community mental health center.".

Page 9, delete lines 6 through 16.

Page 10, line 19, delete "provide" and insert "**do the following**".

Page 10, line 20, delete "outreach" and insert "**Outreach**".

Page 10, line 21, delete ";" and insert "**.**".

Page 10, line 22, delete "services; and" and insert "**Provision of services.**".

Page 10, line 23, delete "consumer" and insert "**Consumer**".

Page 12, line 41, delete "and" and insert "**or**".

Page 13, line 24, delete "and".

Page 13, line 25, after ";" insert "**and**

(4) claims payment systems;".

Page 13, line 28, delete "of employer based subsidies to" and insert "**to subsidize employer sponsored**".

Page 13, line 29, delete "encourage employers to provide".

Page 14, delete lines 3 through 42.

Page 15, delete lines 1 through 2.

Page 15, line 3, delete "9" and insert "**7**".

Page 15, delete lines 5 through 6.

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Page 15, line 7, delete "(c)" and insert "**(b)**".

Page 15, line 7, after "to the" insert "**children's health policy board established by IC 4-23-27-2.**".

Page 15, delete lines 8 through 9.

Page 15, line 10, delete "(d)" and insert "**(c)**".

Page 15, line 12, delete "10" and insert "**8**".

Page 15, line 13, delete "provide" and insert "**do the following**".

Page 15, line 14, delete "outreach" and insert "**Outreach**".

Page 15, line 15, delete ";" and insert "**.**".

Page 15, line 16, delete "services; and" and insert "**Provision of services.**".

Page 15, line 17, delete "consumer" and insert "**Consumer**".

Page 15, line 18, delete "11" and insert "**9**".

Page 15, line 25, delete ", in collaboration with communities,".

Page 15, line 32, delete "12" and insert "**10**".

Page 15, line 39, delete "13" and insert "**11**".

Page 16, line 1, delete "14" and insert "**12**".

Page 16, line 6, delete "select joint committee on Medicaid oversight established" and insert "**children's health policy board established by IC 4-23-27-2.**".

Page 16, delete line 7.

Page 16, delete lines 23 through 35.

Page 16, line 36, delete "(c)" and insert "**(b)**".

Page 17, line 13, delete "(a)".

Page 17, line 14, delete "focus on age appropriate preventive, primary, and acute care" and insert "**:**

(1) comply with federal law;

(2) focus on age appropriate preventive, primary, and acute care services; and

(3) include physician services (as defined in 42 U.S.C. 1395x(q)) provided by a physician (as defined in 42 U.S.C. 1395x(r)).

Sec. 3. If the state prohibits private individual and group health insurance plans from imposing:

(1) treatment limitations; or

(2) financial requirements;

on the coverage of services for a mental illness if similar limitations or requirements are not imposed on the coverage of services for other medical or surgical conditions, the program shall provide the same prohibitions beginning on the same date as the prohibition is implemented for private individual and group health insurance plans.".

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Page 17, delete lines 15 through 42.

Page 18, delete lines 1 through 6.

Page 18, line 7, delete "3" and insert "**4**".

Page 18, line 17, delete "4" and insert "**5**".

Page 18, line 19, after "periods" insert "**that may not exceed three (3) months**".

Page 18, line 24, delete "5" and insert "**6**".

Page 18, line 34, delete "6" and insert "**7**".

Page 18, line 34, delete "used" and insert "**utilized**".

Page 18, line 38, delete "do the following:" and insert "**include**".

Page 18, line 39, delete "(1) Include".

Page 18, run in lines 38 through 39.

Page 18, delete lines 41 through 42.

Page 19, delete line 1.

Page 23, between lines 22 and 23, begin a new paragraph and insert:

"SECTION 20. IC 12-29-2.2 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000]:

Chapter 2.2. Governing Board of Edgewater Systems for a Balanced Living

Sec. 1. (a) This chapter applies to a center that is located in a city having a population of more than one hundred ten thousand (110,000) but less than one hundred twenty thousand (120,000).

(b) This chapter does not apply to a center operated by an agency of the United States.

Sec. 2. (a) For each center there is a governing board. The governing board is responsible for the overall operation of the center.

(b) Except as provided in this chapter, a governing board operates and is organized as provided in the documents establishing the center.

Sec. 3. (a) The governing board of a center consists of fifteen (15) members.

(b) Each member of the governing board must have experience or knowledge in finance, business administration, or social services.

Sec. 4. Subject to this chapter, the members of the governing board are appointed as follows:

(1) The county commissioner who represents the district where the center is located shall appoint one (1) resident of the area served by the center to serve as a member.

(2) The county council of the county in which the center is located shall appoint one (1) resident of the area served by the

C o p y

center to serve as a member.

(3) The circuit court judge of the county in which the center is located shall appoint two (2) residents of the area served by the center as members.

(4) The county director of the county in which the center is located shall appoint one (1) resident of the area served by the center as a member.

(5) The trustee of the largest township that is served by the center shall appoint two (2) residents of the area served by the center as members.

(6) The mayor of the largest municipality served by the center shall appoint three (3) residents of the area served by the center as members.

(7) The school board of the largest school corporation served by the center shall appoint one (1) resident of the area served by the center as a member.

(8) The governing board of the largest hospital served by the center shall appoint one (1) resident of the area served by the center as a member.

(9) The city council or town board of the largest municipality served by the center shall appoint three (3) residents of the area served by the center as members.

Sec. 5. (a) The term of an individual appointed as a member of the governing board begins on the later of the following:

(1) The day the term of the member whom the individual is appointed to succeed expires.

(2) The day the individual is appointed.

(b) The term of a member of the governing board expires January 1 of the fourth year after the member's current term began.

(c) Subject to section 6 of this chapter, a member of the governing board may be reappointed to a new term. A member reappointed under this subsection is the member's own successor for purposes of subsection (a).

Sec. 6. An individual may not serve on the governing board of a center for more than eight (8) years in any nine (9) year period.

Sec. 7. The appointing authority of a member shall appoint an individual qualified under this chapter to fill a vacancy of a member for the remainder of the member's unexpired term.".

Page 23, delete lines 38 through 42.

Page 24, delete lines 1 through 14.

Page 24, line 35, delete "one hundred" and insert "**fifty**".

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Page 24, line 36, delete "($100,000)" and insert "**($50,000)**".

Page 24, delete lines 41 through 42.

Delete page 25.

Page 26, delete lines 1 through 17.

Page 26, line 20, delete "from" and insert "**under**".

Page 26, between lines 29 and 30, begin a new paragraph and insert:

"SECTION 29. [EFFECTIVE UPON PASSAGE] **(a) This SECTION applies only to the governing board of a member's community mental health center described by IC 12-29-2.2, as added by this act.**

(b) As used in this SECTION, "center" refers to a community mental health center (as defined in IC 12-7-2-38).

(c) Notwithstanding any other law, the term of office of a member of the governing board of a center who is a member of the governing board on December 31, 1999, expires January 1, 2000.

(d) Before January 1, 2000, an appointing authority listed under IC 12-29-2.2-4, as added by this act, shall appoint for each center the members of the governing board that the appointing authority is authorized to appoint. Each member appointed to the governing board must have experience or knowledge in finance, business administration, or social services. Notwithstanding IC 12-29-2.2-5, as added by this act, the terms of the members of the governing board of each center appointed under this subsection expire as follows:

(1) The term of the member appointed by the county commissioner expires January 1, 2002.

(2) The term of the member appointed by the county council expires January 1, 2003.

(3) The terms of the members appointed by the circuit court judge expire as follows:

(A) One (1) term expires January 1, 2002.

(B) One (1) term expires January 1, 2004.

(4) The term of the member appointed by the county director expires January 1, 2003.

(5) The terms of the members appointed by the trustee expire as follows:

(A) One (1) term expires January 1, 2002.

(B) One (1) term expires January 1, 2004.

(6) The terms of the members appointed by the mayor expire as follows:

(A) One (1) term expires January 1, 2002.

(B) One (1) term expires January 1, 2003.

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(C) One (1) term expires January 1, 2004.

(7) The term of the member appointed by the school board expires January 1, 2003.

(8) The term of the member appointed by the governing board of the hospital expires January 1, 2004.

(9) The terms of the members appointed by the city council or town board expire as follows:

(A) One (1) term expires January 1, 2002.

(B) One (1) term expires January 1, 2003.

(C) One (1) term expires January 1, 2004.

(e) This SECTION expires January 1, 2004.".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 605 as reprinted February 24, 1999, and as amended by the Committee Report of the House Public Health Committee adopted April 5, 1999.)

BAUER, Chair

Committee Vote: yeas 23, nays 2.

C o p y