



February 25, 1999

---

---

## HOUSE BILL No. 1866

---

DIGEST OF HB 1866 (Updated February 24, 1999 1:57 pm - DI 58)

**Citations Affected:** IC 12-10; IC 12-15.

**Synopsis:** Allows the monthly personal allowance for certain elderly or disabled individuals who reside in a county home, room and board assistance facility, hospital, or nursing facility to be increased to \$50.

**Effective:** July 1, 1999.

---

---

**Bauer, Frenz, Crooks, Cook**

---

---

January 26, 1999, read first time and referred to Committee on Ways and Means.  
February 24, 1999, amended, reported — Do Pass.

---

---

C  
o  
p  
y

HB 1866—LS 8155/DI 58+



February 25, 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.

C  
O  
P  
Y

## HOUSE BILL No. 1866

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:*

- 1 SECTION 1. IC 12-10-6-1 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1. (a) An individual  
3 who:  
4 (1) is at least sixty-five (65) years of age, blind, or disabled; and  
5 (2) is a resident of a county home;  
6 is eligible to receive assistance payments from the state if the  
7 individual would be eligible for assistance under the federal  
8 Supplemental Security Income program except for the fact that the  
9 individual is residing in a county home.  
10 (b) The amount of nonmedical assistance to be paid on behalf of a  
11 resident in a county home must be based on the daily rate established  
12 by the division. The rate for facilities under this section and licensed  
13 under IC 16-28 may not exceed an upper rate limit established by a rule  
14 adopted by the division.  
15 (c) The rate for facilities under this section but not licensed under

HB 1866—LS 8155/DI 58+



- 1 IC 16-28 must be the lesser of:
- 2 (1) an upper rate limit established by a rule adopted by the
- 3 division; or
- 4 (2) a reasonable and adequate rate to meet the costs, determined
- 5 by generally accepted accounting principles, that are incurred by
- 6 efficiently and economically operated facilities in order to provide
- 7 care and services in conformity with quality and safety standards
- 8 and applicable laws and rules.
- 9 (d) The recipient shall be paid or allowed to retain from the
- 10 recipient's income a **monthly** personal allowance in an amount to be
- 11 established by the division. The amount:
- 12 (1) may be not less than twenty-eight dollars and fifty cents
- 13 (\$28.50) and not more than ~~thirty-five dollars (\$35) monthly; fifty~~
- 14 **dollars (\$50);**
- 15 (2) is exempt from income eligibility consideration by the
- 16 division; and
- 17 (3) may be exclusively used by the recipient for personal needs.
- 18 (e) In addition to the amount that may be retained as a personal
- 19 allowance under this section, an individual is allowed to retain an
- 20 amount equal to the individual's state and local income tax liability.
- 21 The amount that may be retained during a month may not exceed
- 22 one-third (1/3) of the individual's state and local income tax liability for
- 23 the calendar quarter in which the month occurs. This amount is exempt
- 24 from income eligibility consideration by the division. The amount
- 25 retained shall be used by the individual to pay state or local income
- 26 taxes owed.
- 27 (f) The division of disability, aging, and rehabilitative services, in
- 28 cooperation with the state department of health taking into account
- 29 licensure requirements under IC 16-28, shall adopt rules under
- 30 IC 4-22-2 governing the reimbursement to facilities under this section.
- 31 The rules must be designed to determine the costs that must be incurred
- 32 by efficiently and economically operated facilities to provide room,
- 33 board, laundry, and other services, along with minimal administrative
- 34 direction to individuals who receive residential care in the facilities
- 35 under this section. A rule adopted under this subsection by:
- 36 (1) the division; or
- 37 (2) the state department of health;
- 38 must conform to the rules for residential care facilities that are licensed
- 39 under IC 16-28.
- 40 (g) A rate established under this section may be appealed according
- 41 to the procedures under IC 4-21.5.
- 42 (h) The division shall annually review each facility's rate using the

C  
O  
P  
Y

1 following:

- 2 (1) Generally accepted accounting principles.  
 3 (2) The costs incurred by efficiently and economically operated  
 4 facilities in order to provide care and services in conformity with  
 5 quality and safety standards and applicable laws and rules.

6 SECTION 2. IC 12-10-6-2 IS AMENDED TO READ AS  
 7 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 2. (a) An individual  
 8 who is incapable of residing in the individual's own home may apply  
 9 for residential care assistance under this section. The determination of  
 10 eligibility for residential care assistance is the responsibility of the  
 11 division. Except as provided in subsections (f) and (h), an individual is  
 12 eligible for residential care assistance if the division determines that the  
 13 individual:

- 14 (1) is a recipient of Medicaid or the federal Supplemental Security  
 15 Income program;  
 16 (2) is incapable of residing in the individual's own home because  
 17 of dementia, mental illness, or a physical disability;  
 18 (3) requires a degree of care less than that provided by a health  
 19 care facility licensed under IC 16-28; and  
 20 (4) can be adequately cared for in a residential care setting.

21 (b) Individuals suffering from mental retardation may not be  
 22 admitted to a home or facility that provides residential care under this  
 23 section.

- 24 (c) A service coordinator employed by the division may:  
 25 (1) evaluate a person seeking admission to a home or facility  
 26 under subsection (a); or  
 27 (2) evaluate a person who has been admitted to a home or facility  
 28 under subsection (a), including a review of the existing  
 29 evaluations in the person's record at the home or facility.

30 If the service coordinator determines the person evaluated under this  
 31 subsection is mentally retarded, the service coordinator may  
 32 recommend an alternative placement for the person.

33 (d) Except as provided in section 5 of this chapter, residential care  
 34 consists of only room, board, and laundry, along with minimal  
 35 administrative direction. State financial assistance may be provided for  
 36 such care in a boarding or residential home of the applicant's choosing  
 37 that is licensed under IC 16-28 or a Christian Science facility listed and  
 38 certified by the Commission for Accreditation of Christian Science  
 39 Nursing Organizations/Facilities, Inc., that meets certain life safety  
 40 standards considered necessary by the state fire marshal. Payment for  
 41 such care shall be made to the provider of the care according to  
 42 division directives and supervision. The amount of nonmedical



C  
O  
P  
Y

1 assistance to be paid on behalf of a recipient living in a boarding home,  
 2 residential home, or Christian Science facility shall be based on the  
 3 daily rate established by the division. The rate for facilities that are  
 4 referred to in this section and licensed under IC 16-28 may not exceed  
 5 an upper rate limit established by a rule adopted by the division. The  
 6 recipient may retain from the recipient's income a **monthly** personal  
 7 allowance in an amount to be established by the division but not less  
 8 than twenty-eight dollars and fifty cents (\$28.50) or more than  
 9 ~~thirty-five dollars (\$35) monthly:~~ **fifty dollars (\$50)**. This amount is  
 10 exempt from income eligibility consideration by the division and may  
 11 be exclusively used by the recipient for the recipient's personal needs.  
 12 However, if the recipient's income is less than the amount of the  
 13 personal allowance, the division shall pay to the recipient the  
 14 difference between the amount of the personal allowance and the  
 15 recipient's income. A reserve or an accumulated balance from such a  
 16 source, together with other sources, may not be allowed to exceed the  
 17 state's resource allowance allowed for adults eligible for state  
 18 supplemental assistance or Medicaid as established by the rules of the  
 19 office of Medicaid policy and planning.

20 (e) In addition to the amount that may be retained as a personal  
 21 allowance under this section, an individual shall be allowed to retain  
 22 an amount equal to the individual's state and local income tax liability.  
 23 The amount that may be retained during a month may not exceed  
 24 one-third (1/3) of the individual's state and local income tax liability for  
 25 the calendar quarter in which that month occurs. This amount is  
 26 exempt from income eligibility consideration by the division. The  
 27 amount retained shall be used by the individual to pay any state or local  
 28 income taxes owed.

29 (f) The rate of payment to the provider shall be determined in  
 30 accordance with a prospective prenegotiated payment rate predicated  
 31 on a reasonable cost related basis, with a growth of profit factor, as  
 32 determined in accordance with generally accepted accounting  
 33 principles and methods, and written standards and criteria, as  
 34 established by the division. The division shall establish an  
 35 administrative appeal procedure to be followed if rate disagreement  
 36 occurs if the provider can demonstrate to the division the necessity of  
 37 costs in excess of the allowed or authorized fee for the specific  
 38 boarding or residential home. The amount may not exceed the  
 39 maximum established under subsection (d).

40 (g) The personal allowance for one (1) month for an individual  
 41 described in subsection (a) whose employment is part of the  
 42 individual's personal habilitation plan or who is working in a sheltered



C  
O  
P  
Y

1 workshop or day activity center is the amount that an individual would  
 2 be entitled to retain under subsection (d) plus an amount equal to  
 3 one-half (1/2) of the remainder of:

4 (1) gross earned income for that month; minus

5 (2) the sum of:

6 (A) sixteen dollars (\$16); plus

7 (B) the amount withheld from the person's paycheck for that  
 8 month for payment of state income tax, federal income tax,  
 9 and the tax prescribed by the federal Insurance Contribution  
 10 Act (26 U.S.C. 3101 et seq.); plus

11 (C) transportation expenses for that month.

12 (h) An individual who, before September 1, 1983, has been admitted  
 13 to a home or facility that provides residential care under this section is  
 14 eligible for residential care in the home or facility.

15 (i) The director of the division may contract with the division of  
 16 mental health or the division of disability, aging, and rehabilitative  
 17 services to purchase services for individuals suffering from mental  
 18 illness or a developmental disability by providing money to supplement  
 19 the appropriation for community residential care programs established  
 20 under IC 12-22-2 or community residential programs established under  
 21 IC 12-11-1-1.

22 (j) A person with a mental illness may not be placed in a Christian  
 23 Science facility listed and certified by the Commission for  
 24 Accreditation of Christian Science Nursing Organizations/Facilities,  
 25 Inc., unless the facility is licensed under IC 16-28.

26 SECTION 3. IC 12-15-7-2 IS AMENDED TO READ AS  
 27 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 2. Not less than  
 28 twenty-eight dollars and fifty cents (\$28.50) or more than ~~thirty-five~~  
 29 ~~dollars (\$35)~~ **fifty dollars (\$50)** monthly may be exempt from income  
 30 eligibility consideration.

C  
O  
P  
Y



COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1866, 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 title and insert the following:

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

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

and when so amended that said bill do pass.

(Reference is to HB 1866 as introduced.)

BAUER, Chair

Committee Vote: yeas 20, nays 1.

C  
O  
P  
Y

