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| Adopted Rejected |
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COMMITTEE REPORT

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| YES: | 20 |
| NO: | 1 |

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:*

- 1 Delete the title and insert the following:
- 2 A BILL FOR AN ACT to amend the Indiana Code concerning
- 3 human services.
- 4 Delete everything after the enacting clause and insert the following:
- 5 SECTION 1. IC 12-10-6-1 IS AMENDED TO READ AS
- 6 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1. (a) An individual
- 7 who:
- 8 (1) is at least sixty-five (65) years of age, blind, or disabled; and
- 9 (2) is a resident of a county home;
- 10 is eligible to receive assistance payments from the state if the
- 11 individual would be eligible for assistance under the federal
- 12 Supplemental Security Income program except for the fact that the
- 13 individual is residing in a county home.
- 14 (b) The amount of nonmedical assistance to be paid on behalf of a

1 resident in a county home must be based on the daily rate established
 2 by the division. The rate for facilities under this section and licensed
 3 under IC 16-28 may not exceed an upper rate limit established by a rule
 4 adopted by the division.

5 (c) The rate for facilities under this section but not licensed under
 6 IC 16-28 must be the lesser of:

7 (1) an upper rate limit established by a rule adopted by the
 8 division; or

9 (2) a reasonable and adequate rate to meet the costs, determined
 10 by generally accepted accounting principles, that are incurred by
 11 efficiently and economically operated facilities in order to provide
 12 care and services in conformity with quality and safety standards
 13 and applicable laws and rules.

14 (d) The recipient shall be paid or allowed to retain from the
 15 recipient's income a **monthly** personal allowance in an amount to be
 16 established by the division. The amount:

17 (1) may be not less than twenty-eight dollars and fifty cents
 18 (\$28.50) and not more than ~~thirty-five dollars (\$35) monthly;~~ **fifty**
 19 **dollars (\$50);**

20 (2) is exempt from income eligibility consideration by the
 21 division; and

22 (3) may be exclusively used by the recipient for personal needs.

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

32 (f) The division of disability, aging, and rehabilitative services, in
 33 cooperation with the state department of health taking into account
 34 licensure requirements under IC 16-28, shall adopt rules under
 35 IC 4-22-2 governing the reimbursement to facilities under this section.
 36 The rules must be designed to determine the costs that must be incurred
 37 by efficiently and economically operated facilities to provide room,
 38 board, laundry, and other services, along with minimal administrative

1 direction to individuals who receive residential care in the facilities
2 under this section. A rule adopted under this subsection by:

- 3 (1) the division; or
- 4 (2) the state department of health;

5 must conform to the rules for residential care facilities that are licensed
6 under IC 16-28.

7 (g) A rate established under this section may be appealed according
8 to the procedures under IC 4-21.5.

9 (h) The division shall annually review each facility's rate using the
10 following:

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

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

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

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

33 (c) A service coordinator employed by the division may:

- 34 (1) evaluate a person seeking admission to a home or facility
35 under subsection (a); or
- 36 (2) evaluate a person who has been admitted to a home or facility
37 under subsection (a), including a review of the existing
38 evaluations in the person's record at the home or facility.

1 If the service coordinator determines the person evaluated under this
2 subsection is mentally retarded, the service coordinator may
3 recommend an alternative placement for the person.

4 (d) Except as provided in section 5 of this chapter, residential care
5 consists of only room, board, and laundry, along with minimal
6 administrative direction. State financial assistance may be provided for
7 such care in a boarding or residential home of the applicant's choosing
8 that is licensed under IC 16-28 or a Christian Science facility listed and
9 certified by the Commission for Accreditation of Christian Science
10 Nursing Organizations/Facilities, Inc., that meets certain life safety
11 standards considered necessary by the state fire marshal. Payment for
12 such care shall be made to the provider of the care according to
13 division directives and supervision. The amount of nonmedical
14 assistance to be paid on behalf of a recipient living in a boarding home,
15 residential home, or Christian Science facility shall be based on the
16 daily rate established by the division. The rate for facilities that are
17 referred to in this section and licensed under IC 16-28 may not exceed
18 an upper rate limit established by a rule adopted by the division. The
19 recipient may retain from the recipient's income a **monthly** personal
20 allowance in an amount to be established by the division but not less
21 than twenty-eight dollars and fifty cents (\$28.50) or more than
22 ~~thirty-five dollars (\$35) monthly.~~ **fifty dollars (\$50)**. This amount is
23 exempt from income eligibility consideration by the division and may
24 be exclusively used by the recipient for the recipient's personal needs.
25 However, if the recipient's income is less than the amount of the
26 personal allowance, the division shall pay to the recipient the
27 difference between the amount of the personal allowance and the
28 recipient's income. A reserve or an accumulated balance from such a
29 source, together with other sources, may not be allowed to exceed the
30 state's resource allowance allowed for adults eligible for state
31 supplemental assistance or Medicaid as established by the rules of the
32 office of Medicaid policy and planning.

33 (e) In addition to the amount that may be retained as a personal
34 allowance under this section, an individual shall be allowed to retain
35 an amount equal to the individual's state and local income tax liability.
36 The amount that may be retained during a month may not exceed
37 one-third (1/3) of the individual's state and local income tax liability for
38 the calendar quarter in which that month occurs. This amount is

1 exempt from income eligibility consideration by the division. The
 2 amount retained shall be used by the individual to pay any state or local
 3 income taxes owed.

4 (f) The rate of payment to the provider shall be determined in
 5 accordance with a prospective prenegotiated payment rate predicated
 6 on a reasonable cost related basis, with a growth of profit factor, as
 7 determined in accordance with generally accepted accounting
 8 principles and methods, and written standards and criteria, as
 9 established by the division. The division shall establish an
 10 administrative appeal procedure to be followed if rate disagreement
 11 occurs if the provider can demonstrate to the division the necessity of
 12 costs in excess of the allowed or authorized fee for the specific
 13 boarding or residential home. The amount may not exceed the
 14 maximum established under subsection (d).

15 (g) The personal allowance for one (1) month for an individual
 16 described in subsection (a) whose employment is part of the
 17 individual's personal habilitation plan or who is working in a sheltered
 18 workshop or day activity center is the amount that an individual would
 19 be entitled to retain under subsection (d) plus an amount equal to
 20 one-half (1/2) of the remainder of:

- 21 (1) gross earned income for that month; minus
 22 (2) the sum of:
 23 (A) sixteen dollars (\$16); plus
 24 (B) the amount withheld from the person's paycheck for that
 25 month for payment of state income tax, federal income tax,
 26 and the tax prescribed by the federal Insurance Contribution
 27 Act (26 U.S.C. 3101 et seq.); plus
 28 (C) transportation expenses for that month.

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

32 (i) The director of the division may contract with the division of
 33 mental health or the division of disability, aging, and rehabilitative
 34 services to purchase services for individuals suffering from mental
 35 illness or a developmental disability by providing money to supplement
 36 the appropriation for community residential care programs established
 37 under IC 12-22-2 or community residential programs established under
 38 IC 12-11-1-1.

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

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

(Reference is to HB 1866 as introduced.)

and when so amended that said bill do pass.

Representative Bauer