

HOUSE BILL No. 2034

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-10-8-7.3; IC 12-17-15; IC 20-12-3.2; IC 27-8-27.

Synopsis: Coordination of insurance with state programs Makes technical corrections in the infants and toddlers with disabilities program to conform to federal law. Adds two members to the interagency coordinating council to include a representative of a Head Start agency or program in Indiana and a representative of a state agency responsible for child care. Requires that the interagency coordinating council meet quarterly. (Current law provides for at least four meetings per year.) Requires state employee health benefit plans, state educational institution self-insurance plans, and health insurance plans to reimburse the first steps program of the division of family and children for covered early intervention services provided under the program. Limits reimbursement to the first steps program to a maximum of \$5,000 per year. Prohibits the amount reimbursed to the (Continued next page)

Effective: July 1, 1999.

Brown C, Becker, Budak, Crawford

January 27, 1999, read first time and referred to Committee on Public Health.



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Digest Continued

first steps program from applying to an annual or lifetime maximum benefit under a plan. Requires a plan to deem amounts paid by the first steps program as amounts paid by the first steps child for purposes of out-of-pocket expenses payable by the child under the plan.

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Introduced

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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HOUSE BILL No. 2034



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

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

1 SECTION 1. IC 5-10-8-7.3 IS ADDED TO THE INDIANA CODE
 2 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY
 3 1, 1999]: **Sec. 7.3. (a) As used in this section, "covered individual"**
 4 **means an individual who is:**
 5 (1) **covered under a self-insurance program established under**
 6 **section 7(b) of this chapter to provide group health coverage;**
 7 **or**
 8 (2) **entitled to services under a contract with a prepaid health**
 9 **care delivery plan that is entered into or renewed under**
 10 **section 7(c) of this chapter.**
 11 (b) **As used in this this section, "early intervention services"**
 12 **means services provided to a first steps child under IC 12-17-15-3**
 13 **and 20 U.S.C. 1432(4).**
 14 (c) **As used in this section, "first steps child" means an infant or**
 15 **toddler from birth through two (2) years of age who is enrolled in**



1 the Indiana first steps program and is a covered individual.

2 (d) As used in this section, "first steps program" refers to the
3 program established under IC 12-17-15 and 20 U.S.C. 1431 et seq.
4 to meet the needs of:

- 5 (1) children who are eligible for early intervention services;
6 and
7 (2) their families.

8 The term includes the coordination of all available federal, state,
9 local, and private resources available to provide early intervention
10 services within Indiana.

11 (e) As used in this section, "health benefits plan" means a:

- 12 (1) self-insurance program established under section 7(b) of
13 this chapter to provide group health coverage; or
14 (2) contract with a prepaid health care delivery plan that is
15 entered into or renewed under section 7(c) of this chapter.

16 (f) A health benefits plan that provides coverage for early
17 intervention services shall reimburse the first steps program for
18 payments made by the program for early intervention services.

19 (g) The reimbursement required under subsection (f) is limited
20 to an annual maximum benefit of five thousand dollars (\$5,000) per
21 first steps child.

22 (h) The reimbursement required under subsection (f) may not
23 be applied to any annual or aggregate lifetime limit on the first
24 steps child's coverage under the health benefits plan.

25 (i) A health benefits plan shall deem payments made by the first
26 steps program for early intervention services provided to a first
27 steps child as payment by the first steps child for purposes of any
28 required deductible, copayment, or other out-of-pocket expense
29 payable by a covered individual under the health benefits plan.

30 SECTION 2. IC 12-17-15-3 IS AMENDED TO READ AS
31 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 3. (a) As used in this
32 chapter, "early intervention services" means developmental services
33 that meet the following conditions:

- 34 (1) Are provided under public supervision.
35 (2) Are provided at no cost, except where federal or state law
36 allows for a system of payments by families, which may include
37 a sliding scale of fees.
38 (3) Are designed to meet the developmental needs of infants and
39 toddlers with disabilities in at least one (1) of the areas specified
40 in section 4(a)(1) of this chapter.
41 (4) Meet all required state and federal standards.
42 (5) Are provided by qualified personnel, including the following:



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- 1 (A) Early childhood special educators, early childhood
 2 educators, and special educators.
 3 (B) Speech and language pathologists and audiologists.
 4 (C) Occupational therapists.
 5 (D) Physical therapists.
 6 (E) Psychologists.
 7 (F) Social workers.
 8 (G) Nurses.
 9 (H) Nutritionists.
 10 (I) Family therapists.
 11 (J) Orientation and mobility specialists.
 12 (K) Pediatricians and other physicians.
 13 (6) To the maximum extent appropriate, are provided in natural
 14 environments, including the home and community settings in
 15 which children without disabilities participate.
 16 (7) Are provided in conformity with an individualized family
 17 service plan adopted in accordance with 20 U.S.C. ~~1477~~ **1435**.
 18 (b) The term includes the following services:
 19 (1) Family training, counseling, and home visits.
 20 (2) Special instruction.
 21 (3) Speech and language pathology and audiology.
 22 (4) Occupational therapy.
 23 (5) Physical therapy.
 24 (6) Psychological services.
 25 (7) Service coordination services.
 26 (8) Medical services only for diagnostic, evaluation, or
 27 consultation purposes.
 28 (9) Early identification, screening, and assessment services.
 29 (10) Other health services necessary for the infant or toddler to
 30 benefit from the services.
 31 (11) Vision services.
 32 (12) Supportive technology services.
 33 (13) Transportation and related costs that are necessary to enable
 34 an infant or a toddler and the infant or toddler's family to receive
 35 early intervention services.
 36 SECTION 3. IC 12-17-15-4 IS AMENDED TO READ AS
 37 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 4. (a) As used in this
 38 chapter, "infants and toddlers with disabilities" means individuals ~~less~~
 39 ~~than three~~ ~~(3)~~ **from birth through two (2)** years of ~~age~~ **life** who need
 40 early intervention services because the individuals meet the following
 41 conditions:
 42 (1) Are experiencing developmental delays, as measured by

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1 appropriate diagnostic instruments and procedures, in at least one

2 (1) of the following:

- 3 (A) Cognitive development.
 4 (B) Physical development.
 5 (C) Communication development.
 6 (D) Social or emotional development.
 7 (E) Adaptive development.

8 (2) Have a diagnosed physical or mental condition that has a high
 9 probability of resulting in developmental delay.

10 (b) This term may also include, under rules adopted by the division,
 11 individuals ~~who are less than three (3) from birth through two (2)~~
 12 years of ~~age~~ **life** and who are at risk of having substantial
 13 developmental delays if early intervention services are not provided.

14 SECTION 4. IC 12-17-15-5 IS AMENDED TO READ AS
 15 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 5. The purposes of this
 16 chapter are as follows:

- 17 (1) To enhance the development and minimize the potential for
 18 developmental delay of infants and toddlers with disabilities.
 19 (2) To reduce the educational costs to the state by minimizing the
 20 need for special education and related services after infants and
 21 toddlers with disabilities reach school age.
 22 (3) To minimize the likelihood of institutionalization and
 23 maximize the potential for independent living of individuals with
 24 disabilities.
 25 (4) To enhance the capacity of families to meet the special needs
 26 of infants and toddlers with disabilities.
 27 (5) To comply with 20 U.S.C. ~~1471~~ **1431** through ~~1485~~ **1445**.

28 SECTION 5. IC 12-17-15-6 IS AMENDED TO READ AS
 29 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 6. (a) The section shall
 30 do the following:

- 31 (1) Carry out the general administration and supervision of
 32 programs and activities receiving assistance under this chapter,
 33 monitor programs and activities implemented by the state,
 34 regardless of whether the programs and activities are receiving
 35 assistance under this chapter, and ensure that the state complies
 36 with 20 U.S.C. ~~1471~~ **1431** through ~~1485~~ **1445** in implementing
 37 this chapter.
 38 (2) Identify and coordinate all available resources from federal,
 39 state, local, and private sources, including public and private
 40 insurance coverage and utilizing all existing applicable resources
 41 to the full extent of the resources.
 42 (3) Develop the procedures to ensure that early intervention

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1 services are provided to infants and toddlers with disabilities and
 2 their families in a timely manner pending the resolution of
 3 disputes among public agencies and providers.

4 (4) Resolve disputes within an agency or between agencies.

5 (5) Enter into formal interagency agreements that define the
 6 financial responsibility of each agency for paying for early
 7 intervention services consistent with Indiana law and procedures
 8 for resolving disputes, including all additional components
 9 necessary to ensure meaningful cooperation and coordination.

10 (b) The state shall designate an individual or entity responsible for
 11 assigning financial responsibility among appropriate agencies under
 12 this chapter.

13 SECTION 6. IC 12-17-15-8 IS AMENDED TO READ AS
 14 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 8. (a) The council
 15 consists of at least fifteen (15) but not more than twenty-five (25)
 16 members appointed by the governor as follows:

17 (1) At least twenty percent (20%) of the members must be
 18 parents, including minority parents, of infants or toddlers with
 19 disabilities or children who are ~~less than thirteen (13)~~ **twelve (12)**
 20 years of age **or younger** with disabilities who have knowledge of,
 21 or experience with, programs for infants and toddlers with
 22 disabilities. At least one (1) of the members described in this
 23 subdivision must be a parent of an infant or toddler with a
 24 disability or a child with a disability who is ~~less than seven (7)~~ **six**
 25 **(6)** years of age **or younger**.

26 (2) At least twenty percent (20%) of the members must be public
 27 or private providers of early intervention services.

28 (3) At least one (1) member must be a member of the general
 29 assembly.

30 (4) Each of the state agencies involved in the provision of, or
 31 payment for, early intervention services to infants and toddlers
 32 with disabilities and their families must be represented by at least
 33 one (1) member. The members described in this subdivision must
 34 have sufficient authority to engage in policy planning and
 35 implementation on behalf of the state agency the member
 36 represents.

37 (5) At least one (1) member must be involved in personnel
 38 preparation.

39 (6) At least one (1) member must represent a state educational
 40 agency responsible for preschool services to children with
 41 disabilities and must have sufficient authority to engage in policy
 42 planning and implementation on behalf of the agency.



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(7) At least one (1) member must represent the department of insurance created under IC 27-1-1-1.

(8) At least one (1) member must represent a Head Start agency or program in Indiana.

(9) At least one (1) member must represent a state agency responsible for child care.

(b) To the extent possible, the governor shall ensure that the membership of the council reasonably represents the population of Indiana.

SECTION 7. IC 12-17-15-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 13. The council shall meet at least ~~four (4) times each year.~~ **quarterly.**

SECTION 8. IC 12-17-15-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 15. The council shall do the following:

(1) Advise and assist the section in the performance of the responsibilities set forth in section 6 of this chapter, particularly the following:

- (A) Identification of the sources of fiscal and other support for services for early intervention programs.
- (B) Use of the existing resources to the full extent in implementing early intervention programs.
- (C) Assignment of financial responsibility to the appropriate agency.
- (D) Promotion of the interagency agreements.

(2) Advise and assist the section in the preparation of applications required under 20 U.S.C. ~~1471~~ **1431** through ~~1485~~ **1445**.

(3) Prepare and submit an annual report to the governor, the general assembly, and the United States Secretary of Education by November 1 of each year concerning the status of early intervention programs for infants and toddlers with disabilities and their families.

(4) Periodically request from the agencies responsible for providing early childhood intervention services for infants and toddlers with disabilities and preschool special education programs written reports concerning the implementation of each agency's respective programs.

(5) Make recommendations to the various agencies concerning improvements to each agency's delivery of services.

(6) Otherwise comply with 20 U.S.C. ~~1482~~ **1441**.

SECTION 9. IC 12-17-15-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 16. (a) To the extent

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1 that the services are appropriate, the council shall advise and assist the
2 department of education regarding the transition of toddlers with
3 disabilities to preschool special education services under IC 20-1-6.

4 (b) The council may advise and assist the section and the
5 department of education regarding the provision of appropriate services
6 for children who are ~~less than six (6)~~ **five (5)** years of age **or younger**.

7 SECTION 10. IC 12-17-15-17 IS AMENDED TO READ AS
8 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 17. Upon the
9 recommendations of the council, the section shall adopt rules under
10 IC 4-22-2 providing for a statewide system of coordinated,
11 comprehensive, multidisciplinary, interagency programs that provide
12 appropriate early intervention services to all infants and toddlers with
13 disabilities and their families to the extent required under 20 U.S.C.
14 ~~1471~~ **1431** through ~~1485~~: **1445**.

15 SECTION 11. IC 12-17-15-18 IS AMENDED TO READ AS
16 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 18. To the extent
17 required in 20 U.S.C. ~~1471~~ **1431** through ~~1485~~: **1445**, the statewide
18 system must include the following:

19 (1) A definition of the term "developmentally delayed" to be used
20 in carrying out the programs under this chapter.

21 (2) The timetables necessary for ensuring that the appropriate
22 early intervention services are available to all infants and toddlers
23 with disabilities before the beginning of the fifth year of the state's
24 participation under 20 U.S.C. ~~1471~~ **1431** through ~~1485~~: **1445**.

25 (3) A timely, comprehensive, multidisciplinary evaluation of the
26 functioning of each infant and toddler with disabilities in Indiana
27 and the needs of the families to appropriately assist in the
28 development of the infant and toddler with disabilities program.

29 (4) For each infant and toddler with disabilities in Indiana, an
30 individualized family service plan in accordance with 20 U.S.C.
31 ~~1477~~: **1436**, including case management services consistent with
32 the individualized family service plan.

33 (5) A comprehensive system for identifying infants and toddlers
34 with disabilities, including a system for making referrals to
35 service providers that:

36 (A) includes time lines; and

37 (B) provides for the participation by primary referral sources.

38 (6) A public awareness program.

39 (7) A central directory that includes early intervention services,
40 resources, experts, and research and demonstration projects being
41 conducted.

42 (8) A comprehensive system of personnel development.



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1 (9) A policy pertaining to the contracting or making of other
 2 arrangements with service providers to provide early intervention
 3 services in Indiana, consistent with 20 U.S.C. ~~1471~~ **1431** through
 4 ~~1485~~ **1445** and including the contents of the application used and
 5 the conditions of the contract or other arrangements.

6 (10) A procedure for securing timely reimbursement of funds
 7 used under this chapter in accordance with 20 U.S.C. ~~1481(a)~~:
 8 **1440(a)**.

9 (11) Procedural safeguards with respect to programs under this
 10 chapter as required under 20 U.S.C. ~~1480~~: **1439**.

11 (12) Policies and procedures relating to the establishment and
 12 maintenance of standards to ensure that personnel necessary to
 13 carry out this chapter are appropriately and adequately prepared
 14 and trained, including the following:

15 (A) The establishment and maintenance of standards that are
 16 consistent with any state approved or recognized certification,
 17 licensing, registration, or other comparable requirements that
 18 apply to the area in which the personnel are providing early
 19 intervention services.

20 (B) To the extent the standards are not based on the highest
 21 requirements in Indiana applicable to the specific profession
 22 or discipline, the steps the state is taking to require the
 23 retraining or hiring of personnel that meet appropriate
 24 professional requirements in Indiana.

25 (13) A system for compiling data on the following:

26 (A) The numbers of infants and toddlers with disabilities and
 27 their families in Indiana in need of appropriate early
 28 intervention services, which may be based on a sampling of
 29 data.

30 (B) The numbers of infants and toddlers and their families
 31 served.

32 (C) The types of services provided, which may be based on a
 33 sampling of data.

34 (D) Other information required under 20 U.S.C. ~~1471~~ **1431**
 35 through ~~1485~~:

36 SECTION 12. IC 20-12-3.2 IS ADDED TO THE INDIANA CODE
 37 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 38 JULY 1, 1999]:

39 **Chapter 3.2. State Educational Institution Self-Insurance Plans**

40 **Sec. 1. (a) For purposes of this chapter, "covered individual"**
 41 **means an individual entitled to coverage under a self-insurance**
 42 **plan.**



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1 (b) For purposes of this chapter, "early intervention services"
2 means services provided to a first steps child under IC 12-17-15-3
3 and 20 U.S.C. 1432(4).

4 (c) For purposes of this chapter, "first steps child" means an
5 infant or toddler from birth through two (2) years of age who is
6 enrolled in the Indiana first steps program and is a covered
7 individual.

8 (d) As used in this section, "first steps program" means the
9 program established under IC 12-17-15 and 20 U.S.C. 1431 et seq.
10 to meet the needs of:

- 11 (1) children who are eligible for early intervention services;
12 and
13 (2) their families.

14 The term includes the coordination of all available federal, state,
15 local, and private resources available to provide early intervention
16 services within Indiana.

17 (e) As used in this chapter, "self-insurance plan" means a
18 program of self-insurance established and maintained by a state
19 educational institution (as defined in IC 20-12-0.5-1) to cover the
20 provision of health care services (as defined in IC 27-8-11-1) to its
21 employees.

22 **Sec. 2.** A self-insurance plan that provides coverage for early
23 intervention services shall reimburse the first steps program for
24 payments made by the program for early intervention services.

25 **Sec. 3.** The reimbursement required under section 2 of this
26 chapter is limited to an annual maximum benefit of five thousand
27 dollars (\$5,000) per first steps child.

28 **Sec. 4.** The reimbursement required under section 2 of this
29 chapter may not be applied to any annual or aggregate lifetime
30 limit on the first steps child's coverage under the self-insurance
31 plan.

32 **Sec. 5.** A self-insurance plan shall deem payments made by the
33 first steps program for early intervention services provided to a
34 first steps child as payment by the first steps child for purposes of
35 any required deductible, copayment, or other out-of-pocket
36 expense payable by a covered individual under the self-insurance
37 plan.

38 SECTION 13. IC 27-8-27 IS ADDED TO THE INDIANA CODE
39 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
40 JULY 1, 1999]:

41 **Chapter 27. Coverage for Services to Infants and Toddlers With**
42 **Disabilities**



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1 **Sec. 1.** For purposes of this chapter, "early intervention
2 services" means services provided to a first steps child under
3 IC 12-17-15-3 and 20 U.S.C. 1432(4).
4 **Sec. 2.** For purposes of this chapter, "first steps child" means an
5 infant or toddler from birth through two (2) years of age who is
6 enrolled in the Indiana first steps program and is an insured.
7 **Sec. 3.** As used in this section, "first steps program" means the
8 program established under IC 12-17-15 and 20 U.S.C. 1431 et seq.
9 to meet the needs of:
10 (1) children who are eligible for early intervention services;
11 and
12 (2) their families.
13 **The term includes the coordination of all available federal, state,**
14 **local, and private resources available to provide early intervention**
15 **services within Indiana.**
16 **Sec. 4.** For purposes of this chapter, "health insurance plan" has
17 the meaning set forth in IC 27-8-14.5-1.
18 **Sec. 5.** As used in this chapter, "insured" means an individual
19 covered by a health insurance plan.
20 **Sec. 6.** As used in this chapter, "insurer" has the meaning set
21 forth in IC 27-8-14.5-3.
22 **Sec. 7.** A health insurance plan that provides coverage for early
23 intervention services shall reimburse the first steps program for
24 payments made by the program for early intervention services.
25 **Sec. 8.** The reimbursement required under section 7 of this
26 chapter is limited to an annual maximum benefit of five thousand
27 dollars (\$5,000) per first steps child.
28 **Sec. 9.** The reimbursement required under section 7 of this
29 chapter may not be applied to any annual or aggregate lifetime
30 limit on the first steps child's coverage under the health insurance
31 plan.
32 **Sec. 10.** An insurer shall deem payments made by the first steps
33 program for early intervention services provided to a first steps
34 child as payment by the first steps child for purposes of any
35 required deductible, copayment, or other out of pocket expense
36 payable by an insured under the health insurance plan.

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