



February 26, 1999

SENATE BILL No. 113

DIGEST OF SB 113 (Updated February 25, 1999 5:38 pm - DI 77)

Citations Affected: IC 16-18; IC 16-41.

Synopsis: Post-organ transplant maintenance drugs. Establishes the post-organ transplant program within the state department of health. Establishes post-organ transplant program fund to pay for the costs of immunosuppressive drugs of eligible transplant recipients that: (1) are not paid by other entities; and (2) meet the criteria established by the state department of health.

Effective: July 1, 1999.

**Breaux, Miller, Young R, Craycraft,
Riegsecker**

January 6, 1999, read first time and referred to Committee on Health and Provider Services.
February 25, 1999, amended, reported favorably — Do Pass.

SB 113—LS 6484/DI 77+



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February 26, 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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SENATE BILL No. 113

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

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

1 SECTION 1. IC 16-18-2-287.7 IS ADDED TO THE INDIANA
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 1999]: **Sec. 287.7. "Post-organ transplant**
4 **program"**, for purposes of IC 16-41-19.5, has the meaning set forth
5 in IC 16-41-19.5-1.

6 SECTION 2. IC 16-41-19.5 IS ADDED TO THE INDIANA CODE
7 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
8 JULY 1, 1999]:

9 **Chapter 19.5. Prevention and Treatment Programs: Post-Organ**
10 **Transplant Program**

11 **Sec. 1. As used in this chapter, "post-organ transplant**
12 **program"** refers to a program established by the state department
13 to pay recipients eligible under this chapter for costs of
14 immunosuppressive drugs prescribed exclusively for the
15 maintenance of individuals who undergo the transplant of an
16 internal organ, including a heart, lung, liver, or kidney, if the costs
17 of the drugs are not reimbursed from other sources.

SB 113—LS 6484/DI 77+



1 **Sec. 2. The state department shall establish a post-organ**
2 **program.**

3 **Sec. 3. An individual who meets the following requirements is**
4 **eligible for the post-organ transplant program:**

5 **(1) The individual has submitted a properly completed**
6 **application on a form supplied by the state department.**

7 **(2) The individual has a household income that is not more**
8 **than two hundred fifty percent (250%) of the federal poverty**
9 **level as determined by the federal Office of Management and**
10 **Budget.**

11 **(3) The individual is a resident of Indiana and has resided in**
12 **Indiana for twelve (12) months before submitting the**
13 **application. An individual is not excluded from the program**
14 **for receiving an organ transplant outside Indiana.**

15 **(4) The individual meets any other eligibility standards**
16 **adopted by the state department.**

17 **Sec. 4. (a) The state department shall determine the maximum**
18 **amount the state department will pay each eligible post-organ**
19 **transplant program applicant based on the following criteria:**

20 **(1) Available money.**

21 **(2) Covered immunosuppressive drugs.**

22 **(3) The terms of any contract between the state department**
23 **and the patient's health care provider.**

24 **(4) The reimbursement rate for a post-organ transplant drug**
25 **may not be greater than the Medicaid reimbursement rate for**
26 **the drug, minus a copayment by the recipient.**

27 **(b) The state health commissioner may restrict or categorize**
28 **payments for post-organ transplant drugs to meet budgetary**
29 **limitations.**

30 **Sec. 5. (a) Except as provided in subsection (b), the state**
31 **department may not reimburse an eligible recipient under the**
32 **post-organ transplant program for drug costs that are reimbursed**
33 **or eligible for reimbursement by a governmental entity or other**
34 **third party, including Medicaid, Medicare, the Veterans**
35 **Administration, a health insurance company, or a health**
36 **maintenance organization.**

37 **(b) The state health commissioner may waive the requirements**
38 **of subsection (a) on a case by case basis if the commissioner**
39 **determines that enforcement of subsection (a) will deny services to**
40 **a class of post-organ transplant patients because of conflicting state**
41 **or federal law.**

42 **(c) The state department shall adopt rules under IC 4-22-2 to**



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1 ensure that all required benefit payments for post-organ transplant
2 drugs under subsection (a) are properly paid.

3 **Sec. 6. The state department shall:**

4 (1) maintain an immunosuppressive drug formulary that
5 includes the drugs that are eligible for reimbursement under
6 the post-organ transplant program;

7 (2) establish an internal review procedure for updating the
8 formulary that includes procedures for adding and deleting
9 drugs from the formulary; and

10 (3) review the formulary at least quarterly each year.

11 **Sec. 7. (a) The post-organ transplant program fund is**
12 **established for the purpose of providing payment of**
13 **immunosuppressive drugs to eligible organ transplant recipients**
14 **under this chapter. The fund shall be administered by the state**
15 **department.**

16 (b) The expenses of administering the fund shall be paid from
17 money in the fund.

18 (c) The treasurer of state shall invest money in the fund not
19 currently needed to meet the obligations of the fund in the same
20 manner as other public money may be invested. Interest that
21 accrues from these investments shall be deposited in the fund.

22 (d) Money in the fund consists of appropriations, gifts, grants,
23 and donations from public or private sources. Money in the fund
24 at the end of a state fiscal year does not revert to the state general
25 fund.

26 **Sec. 8. The state department may adopt rules under IC 4-22-2**
27 **that are necessary to implement this chapter.**

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SENATE MOTION

Mr. President: I move that Senator Miller be added as second author of Senate Bill 113.

BREAUX

SENATE MOTION

Mr. President: I move that Senator Young be added as coauthor of Senate Bill 113.

BREAUX

SENATE MOTION

Mr. President: I move that Senators Craycraft and Riegsecker be added as coauthors of Senate Bill 113.

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COMMITTEE REPORT

Mr. President: The Senate Committee on Health and Provider Services, to which was referred Senate Bill No. 113, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 16-18-2-287.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: **Sec. 287.7. "Post-organ transplant program", for purposes of IC 16-41-19.5, has the meaning set forth in IC 16-41-19.5-1.**"

Page 1, line 5, delete "Post-Kidney" and insert "**Post-Organ**".

Page 1, between lines 5 and 6, begin a new paragraph and insert:

"Sec. 1. As used in this chapter, "post-organ transplant program" refers to a program established by the state department to pay recipients eligible under this chapter for costs of immunosuppressive drugs prescribed exclusively for the maintenance of individuals who undergo the transplant of an internal organ, including a heart, lung, liver, or kidney, if the costs of the drugs are not reimbursed from other sources."

Page 1, line 6, delete "1" and insert "2".

Page 1, line 6, after "a" insert "**post-organ transplant**".

Page 1, line 6, delete "to pay" and insert ".".

Page 1, delete lines 7 through 10.

Page 1, line 11, delete "2" and insert "3".

Page 1, line 12, delete "post-kidney" and insert "**post-organ**".

Page 1, line 16, after "hundred" insert "**fifty**".

Page 1, line 16, delete "(200%)" and insert "**(250%)**".

Page 2, line 5, delete "a kidney" and insert "**an organ**".

Page 2, line 8, delete "3" and insert "4".

Page 2, line 9, delete "post-kidney" and insert "**post-organ**".

Page 2, line 15, delete "post-kidney" and insert "**post-organ**".

Page 2, line 19, delete "post-kidney" and insert "**post-organ**".

Page 2, line 21, delete "4" and insert "5".

Page 2, line 23, delete "post-kidney" and insert "**post-organ**".

Page 2, line 31, delete "post-kidney" and insert "**post-organ**".

Page 2, line 34, delete "post-kidney" and insert "**post-organ**".

Page 2, line 36, delete "5" and insert "6".

Page 2, line 39, delete "post-kidney" and insert "**post-organ**".

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Page 3, line 2, delete "6" and insert "7".

Page 3, line 2, delete "post-kidney" and insert "**post-organ**".

Page 3, line 4, delete "kidney" and insert "**organ**".

Page 3, line 4, delete "patients" and insert "**recipients**".

Page 3, line 17, delete "7" and insert "**8**".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 113 as introduced.)

MILLER, Chairperson

Committee Vote: Yeas 9, Nays 0.

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