

Adopted	Rejected
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## COMMITTEE REPORT

YES:	11
NO:	0

### MR. SPEAKER:

*Your Committee on Public Health, to which was referred House Bill 1130, 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 Page 1, between the enacting clause and line 1, begin a new
- 2 paragraph and insert:
- 3 "SECTION 1. IC 12-15-12-12 IS AMENDED TO READ AS
- 4 FOLLOWS [EFFECTIVE JULY 1, 2000]: Sec. 12. (a) For a managed
- 5 care program or demonstration project established or authorized by the
- 6 office, or established or authorized by another entity or agency working
- 7 in conjunction with or under agreement with the office, the office must
- 8 provide for payment to providers in the managed care program that the
- 9 office finds is reasonable and adequate to meet the costs that must be
- 10 incurred by efficiently and economically operated providers in order to:
- 11 (1) provide care and services in conformity with applicable state
- 12 and federal laws, regulations, and quality and safety standards;
- 13 and
- 14 (2) ensure that individuals eligible for medical assistance under
- 15 the managed care program or demonstration project have
- 16 reasonable access (taking into account geographic location and

1 reasonable travel time) to the services provided by the managed  
2 care program.

3 **(b) In addition to the requirements under subsection (a), the**  
4 **office shall establish payments to providers for services (as listed**  
5 **in IC 12-15-5-1) under a managed care program or demonstration**  
6 **project established or authorized by the office, or established or**  
7 **authorized by another entity or agency working in conjunction**  
8 **with or under agreement with the office as follows:**

9 **(1) Not less than the most current Medicare relative value**  
10 **unit, as established by the federal Health Care Financing**  
11 **Administration, factoring in the existing geographic practice**  
12 **cost indices and the conversion factor established by 405**  
13 **IAC 1-11.5-2.**

14 **(2) The equivalent of one hundred percent (100%) of the most**  
15 **current Medicare allowable rates, if Medicare relative value**  
16 **units are not applicable.**

17 **(3) For anesthesia services, the office shall use the most**  
18 **current base value of the American Society of Anesthesiology**  
19 **and a conversion factor equal to or greater than the most**  
20 **current Medicare conversion factor.**

21 **(c) The office shall update payment rates annually in compliance**  
22 **with this section."**

23 Page 1, line 12, after "," insert "**the office shall establish**".

24 Page 1, line 13, delete "physician".

25 Page 1, line 13, delete "defined" and insert "**listed**".

26 Page 1, line 14, delete "IC 12-15-11-1" and insert "**IC 12-15-5-1**".

27 Page 1, line 15, after "program" insert "**as follows**".

28 Page 1, delete lines 16 through 17, begin a new line block indented  
29 and insert:

30 **"(1) Not less than the most current Medicare relative value**  
31 **unit, as established by the federal Health Care Financing**  
32 **Administration, factoring in the existing geographic practice**  
33 **cost indices and the conversion factor established by 405**  
34 **IAC 1-11.5-2.**

35 **(2) The equivalent of one hundred percent (100%) of the most**  
36 **current Medicare allowable rates, if Medicare relative value**  
37 **units are not applicable.**

38 **(3) For anesthesia services, the office shall use the current**

1           **base value of the American Society of Anesthesiology and a**  
 2           **conversion factor equal to or greater than the current**  
 3           **Medicare conversion factor.**

4           **(d) The office shall update payment rates annually in**  
 5           **compliance with this section.**

6           SECTION 2. [EFFECTIVE JANUARY 1, 2000 (RETROACTIVE)]

7           **(a) As used in this SECTION, "committee" refers to the select**  
 8           **joint committee on Medicaid oversight established by this**  
 9           **SECTION.**

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

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

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

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

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

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

24          **(f) The president pro tempore of the senate shall appoint a**  
 25          **member of the committee to serve as chairperson of the committee**  
 26          **from January 1, 2000, until December 31, 2000.**

27          **(g) The speaker of the house of representatives shall appoint a**  
 28          **member of the committee to serve as chairperson of the committee**  
 29          **from January 1, 2001, until December 31, 2001.**

30          **(h) The committee shall study, investigate, and oversee the**  
 31          **following:**

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

37               **(2) Legislative and administrative procedures that are needed**  
 38               **to eliminate Medicaid claims, reimbursement backlogs,**

- 1           delays, and errors.
- 2           **(3) The establishment and implementation of a case mix**
- 3           **reimbursement system designed for Indiana Medicaid**
- 4           **certified nursing facilities developed by the office.**
- 5           **(4) Any other matter related to Medicaid.**
- 6           **(i) Except as provided under this subsection, the committee is**
- 7           **under the jurisdiction of the legislative council. The committee:**
- 8                 **(1) shall meet at the call of the chairperson;**
- 9                 **(2) may meet at any time during the calendar year; and**
- 10                **(3) shall be staffed by the legislative services agency.**
- 11           **(j) Unless specifically authorized by the legislative council, the**
- 12           **chairperson may not create subcommittees.**
- 13           **(k) The committee may not recommend proposed legislation to**
- 14           **the general assembly unless the proposed legislation is approved by**
- 15           **a majority of the voting members appointed to serve on the**
- 16           **committee. All votes taken by the committee must be:**
- 17                 **(1) by roll call vote; and**
- 18                 **(2) recorded.**
- 19           **(l) The contractor of the office of Medicaid policy and planning**
- 20           **under IC 12-15-30 that has responsibility for processing provider**
- 21           **claims for payment under the Medicaid program shall:**
- 22                 **(1) review actual expenditures of the Medicaid program based**
- 23                 **on claims that are processed by the contractor; and**
- 24                 **(2) provide oral and written reports on the expenditures to the**
- 25                 **committee:**
- 26                         **(A) in a manner and format proposed by the committee;**
- 27                         **and**
- 28                         **(B) whenever requested by the committee.**

- 1        **(m) This SECTION expires December 31, 2001.**
- 2        **SECTION 3. An emergency is declared for this act."**
- 3        Delete page 2.
- 4        Renumber all SECTIONS consecutively.  
(Reference is to HB 1130 as introduced.)

**and when so amended that said bill do pass.**

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Representative Brown C