



January 28, 2000

# SENATE BILL No. 455

DIGEST OF SB 455 (Updated January 27, 2000 1:14 PM - DI 88)

**Citations Affected:** IC 12-7; IC 12-15.

**Synopsis:** Disproportionate share providers. Requires the office of Medicaid policy and planning (OMPP) to consider disproportionate share hospitals in East Chicago and Gary as providers in the Medicaid program and to include these providers in the list of managed care providers furnished to each Medicaid recipient who lives in these cities if the provider has attempted in good faith to negotiate the terms of a provider agreement with OMPP or OMPP's managed care contractor. Requires these providers to abide by all lawful determinations made by OMPP's managed care contractor regarding appropriate and medically necessary care. Provides that OMPP may not exclude these providers from participating in the Medicaid program by entering into exclusive contracts with other providers. Provides that a Medicaid recipient may obtain most Medicaid services from certain managed care providers or certain disproportionate share providers. Provides that these provisions apply for one year.

**Effective:** Upon passage.

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**Smith S, Rogers, Breaux**

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January 10, 2000, read first time and referred to Committee on Health and Provider Services.  
January 27, 2000, amended, reported favorably — Do Pass.

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SB 455—LS 7088/DI 88+



January 28, 2000

Second Regular Session 111th General Assembly (2000)

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 1999 General Assembly.

## SENATE BILL No. 455

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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 12-7-2-149.1 IS ADDED TO THE INDIANA  
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
3 [EFFECTIVE UPON PASSAGE]: **Sec. 149.1. Notwithstanding**  
4 **section 149 of this chapter, "provider", for purposes of**  
5 **IC 12-15-11-4.1(c), has the meaning set forth in IC 12-15-11-4.1(a).**  
6 **(b) This section expires March 1, 2001.**  
7 SECTION 2. IC 12-15-11-4.1 IS ADDED TO THE INDIANA  
8 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
9 [EFFECTIVE UPON PASSAGE]: **Sec. 4.1. (a) As used in subsection**  
10 **(c), "provider" refers to a provider that is the sole**  
11 **disproportionate share hospital in:**  
12 **(1) a city having a population of more than one hundred ten**  
13 **thousand (110,000) but less than one hundred twenty**  
14 **thousand (120,000); or**  
15 **(2) a city having a population of more than thirty-three**  
16 **thousand eight hundred fifty (33,850) but less than**  
17 **thirty-three thousand nine hundred (33,900).**

SB 455—LS 7088/DI 88+



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1           **(b) Notwithstanding section 4 of this chapter, except as provided**  
 2 **in subsection (c), a provider desiring to participate in the Medicaid**  
 3 **program by providing physician services as a managed care**  
 4 **provider must enter into a provider agreement with the office or**  
 5 **the contractor under IC 12-15-30 to provide Medicaid services.**

6           **(c) A provider must be:**

7               **(1) considered a provider in the Medicaid program;**

8               **(2) included in the list of managed care providers furnished to**  
 9 **each recipient in the city in which the provider provides**  
 10 **services; and**

11               **(3) allowed by the office or the office's managed care**  
 12 **contractor to provide services to each individual who:**

13                   **(A) is eligible to receive services under IC 12-15; and**

14                   **(B) resides in the same city in which the provider is**  
 15 **located;**

16               **if the individual elects to receive services from the provider;**  
 17 **if the provider has in good faith attempted to negotiate the terms**  
 18 **of a provider agreement with the office or the contractor under**  
 19 **IC 12-15-30 to provide Medicaid services.**

20           **(d) A provider that provides services under subsection (c) must**  
 21 **abide by all lawful determinations made by the office's managed**  
 22 **care contractor regarding appropriate and medically necessary**  
 23 **care.**

24           **(e) This section expires March 1, 2001.**

25           SECTION 3. IC 12-15-11-6.1 IS ADDED TO THE INDIANA  
 26 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 27 [EFFECTIVE UPON PASSAGE]: **Sec. 6.1. (a) Notwithstanding**  
 28 **section 6 of this chapter, the office may not exclude a provider**  
 29 **described in IC 12-15-12-3.1 from participating in the Medicaid**  
 30 **program by entering into an exclusive contract with another**  
 31 **provider or group of providers, except as provided under section**  
 32 **7 of this chapter.**

33           **(b) This section expires March 1, 2001.**

34           SECTION 4. IC 12-15-12-1.1 IS ADDED TO THE INDIANA  
 35 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 36 [EFFECTIVE UPON PASSAGE]: **Sec. 1.1. (a) Notwithstanding**  
 37 **section 1 of this chapter, except as provided in sections 6, 7, and 8**  
 38 **of this chapter, a Medicaid recipient may obtain any Medicaid**  
 39 **services from a provider described in section 3.1 of this chapter.**

40           **(b) This section expires March 1, 2001.**

41           SECTION 5. IC 12-15-12-2.1 IS ADDED TO THE INDIANA  
 42 CODE AS A NEW SECTION TO READ AS FOLLOWS



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1 [EFFECTIVE UPON PASSAGE]: **Sec. 2.1. (a) Notwithstanding**  
 2 **section 2 of this chapter, except as provided in sections 8 and 9 of**  
 3 **this chapter, a Medicaid recipient may receive health care services**  
 4 **from a provider selected by the recipient from a list of managed**  
 5 **care providers and other providers:**

6 (1) **furnished to the recipient by the office under section 3.1 of**  
 7 **this chapter; or**

8 (2) **otherwise described in IC 12-15-11-4.1(c).**

9 (b) **This section expires March 1, 2001.**

10 SECTION 6. IC 12-15-12-3.1 IS ADDED TO THE INDIANA  
 11 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 12 [EFFECTIVE UPON PASSAGE]: **Sec. 3.1. (a) Notwithstanding**  
 13 **section 3 of this chapter, except as provided in section 9 of this**  
 14 **chapter, the list of providers furnished to the recipient must**  
 15 **include the names of the following:**

16 (1) **All managed care providers that meet the following**  
 17 **requirements:**

18 (A) **Have entered into a provider agreement with the office**  
 19 **under IC 12-15-11 to provide physician services to**  
 20 **Medicaid recipients.**

21 (B) **Provide Medicaid services in the geographic area in**  
 22 **which the recipient resides.**

23 (2) **All providers that are described in IC 12-15-11-4.1(c).**

24 (b) **This section expires March 1, 2001.**

25 SECTION 7. **An emergency is declared for this act.**

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SENATE MOTION

Mr. President: I move that Senator Rogers be removed as author of Senate Bill 455 and that Senator Smith S be substituted therefor and that Senator Rogers be added as second author.

ROGERS

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SENATE MOTION

Mr. President: I move that Senator Breaux be added as coauthor of Senate Bill 455.

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## COMMITTEE REPORT

Mr. President: The Senate Committee on Health and Provider Services, to which was referred Senate Bill No. 455, 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, delete lines 1 through 17, begin a new paragraph and insert:

"SECTION 1. IC 12-7-2-149.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 149.1. Notwithstanding section 149 of this chapter, "provider", for purposes of IC 12-15-11-4.1(c), has the meaning set forth in IC 12-15-11-4.1(a).**

**(b) This section expires March 1, 2001.**

SECTION 2. IC 12-15-11-4.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 4.1. (a) As used in subsection (c), "provider" refers to a provider that is the sole disproportionate share hospital in:**

- (1) a city having a population of more than one hundred ten thousand (110,000) but less than one hundred twenty thousand (120,000); or**
- (2) a city having a population of more than thirty-three thousand eight hundred fifty (33,850) but less than thirty-three thousand nine hundred (33,900).**

**(b) Notwithstanding section 4 of this chapter, except as provided in subsection (c), a provider desiring to participate in the Medicaid program by providing physician services as a managed care provider must enter into a provider agreement with the office or the contractor under IC 12-15-30 to provide Medicaid services.**

**(c) A provider must be:**

- (1) considered a provider in the Medicaid program;**
- (2) included in the list of managed care providers furnished to each recipient in the city in which the provider provides services; and**
- (3) allowed by the office or the office's managed care contractor to provide services to each individual who:**
  - (A) is eligible to receive services under IC 12-15; and**
  - (B) resides in the same city in which the provider is located;**

**if the individual elects to receive services from the provider; if the provider has in good faith attempted to negotiate the terms of a provider agreement with the office or the contractor under**



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**IC 12-15-30 to provide Medicaid services.**

**(d) A provider that provides services under subsection (c) must abide by all lawful determinations made by the office's managed care contractor regarding appropriate and medically necessary care.**

**(e) This section expires March 1, 2001.**

**SECTION 3. IC 12-15-11-6.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6.1. (a) Notwithstanding section 6 of this chapter, the office may not exclude a provider described in IC 12-15-12-3.1 from participating in the Medicaid program by entering into an exclusive contract with another provider or group of providers, except as provided under section 7 of this chapter.**

**(b) This section expires March 1, 2001.**

**SECTION 4. IC 12-15-12-1.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1.1. (a) Notwithstanding section 1 of this chapter, except as provided in sections 6, 7, and 8 of this chapter, a Medicaid recipient may obtain any Medicaid services from a provider described in section 3.1 of this chapter.**

**(b) This section expires March 1, 2001.**

**SECTION 5. IC 12-15-12-2.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2.1. (a) Notwithstanding section 2 of this chapter, except as provided in sections 8 and 9 of this chapter, a Medicaid recipient may receive health care services from a provider selected by the recipient from a list of managed care providers and other providers:**

- (1) furnished to the recipient by the office under section 3.1 of this chapter; or**
- (2) otherwise described in IC 12-15-11-4.1(c).**

**(b) This section expires March 1, 2001.**

**SECTION 6. IC 12-15-12-3.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3.1. (a) Notwithstanding section 3 of this chapter, except as provided in section 9 of this chapter, the list of providers furnished to the recipient must include the names of the following:**

- (1) All managed care providers that meet the following requirements:**
  - (A) Have entered into a provider agreement with the office**

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**under IC 12-15-11 to provide physician services to Medicaid recipients.**

**(B) Provide Medicaid services in the geographic area in which the recipient resides.**

**(2) All providers that are described in IC 12-15-11-4.1(c).**

**(b) This section expires March 1, 2001."**

Delete page 2.

Page 3, delete lines 1 through 35.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 455 as introduced.)

MILLER, Chairperson

Committee Vote: Yeas 8, Nays 0.

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