



April 1, 2003

ENGROSSED HOUSE BILL No. 1813

DIGEST OF HB 1813 (Updated March 27, 2003 1:49 PM - DI 44)

Citations Affected: IC 12-7; IC 12-15; IC 12-16; IC 12-16.1; IC 12-17.7; IC 12-17.8.; IC 16-18; IC 16-22; IC 34-6.

Synopsis: Health care. Amends various statutes concerning the following; (1) the funding and administration of Medicaid and the hospital care for the indigent program; (2) health records; and (3) the governing board of the Marion county health and hospital corporation.

Effective: July 1, 2003.

Crawford, Harris, Kuzman, Becker

(SENATE SPONSORS — MILLER, BREAUX)

January 23, 2003, read first time and referred to Committee on Ways and Means.
February 26, 2003, amended, reported — Do Pass.
March 3, 2003, read second time, ordered engrossed.
March 4, 2003, engrossed. Read third time, passed. Yeas 96, nays 1.

SENATE ACTION

March 13, 2003, read first time and referred to Committee on Health and Provider Services.
March 20, 2003, amended, reported favorably — Do Pass; reassigned to Committee on Finance.
March 31, 2003, amended, reported favorably — Do Pass.

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EH 1813—LS 7696/DI 52+



April 1, 2003

First Regular Session 113th General Assembly (2003)

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 2002 Regular or Special Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1813

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 12-7-2-69, AS AMENDED BY P.L.1-2002,
2 SECTION 50, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2003]: Sec. 69. (a) "Division", except as provided in
4 subsections (b) and (c), refers to any of the following:
5 (1) The division of disability, aging, and rehabilitative services
6 established by IC 12-9-1-1.
7 (2) The division of family and children established by
8 IC 12-13-1-1.
9 (3) The division of mental health and addiction established by
10 IC 12-21-1-1.
11 (b) The term refers to the following:
12 (1) For purposes of the following statutes, the division of
13 disability, aging, and rehabilitative services established by
14 IC 12-9-1-1:
15 (A) IC 12-9.
16 (B) IC 12-10.
17 (C) IC 12-11.

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- 1 (D) IC 12-12.
- 2 (2) For purposes of the following statutes, the division of family
- 3 and children established by IC 12-13-1-1:
- 4 (A) IC 12-13.
- 5 (B) IC 12-14.
- 6 (C) IC 12-15.
- 7 (D) IC 12-16.
- 8 ~~(E) IC 12-16.1.~~
- 9 ~~(F)~~ (E) IC 12-17.
- 10 ~~(G)~~ (F) IC 12-17.2.
- 11 ~~(H)~~ (G) IC 12-17.4.
- 12 ~~(I)~~ (H) IC 12-18.
- 13 ~~(J)~~ (I) IC 12-19.
- 14 ~~(K)~~ (J) IC 12-20.
- 15 (3) For purposes of the following statutes, the division of mental
- 16 health and addiction established by IC 12-21-1-1:
- 17 (A) IC 12-21.
- 18 (B) IC 12-22.
- 19 (C) IC 12-23.
- 20 (D) IC 12-25.
- 21 (c) With respect to a particular state institution, the term refers to
- 22 the division whose director has administrative control of and
- 23 responsibility for the state institution.
- 24 (d) For purposes of IC 12-24, IC 12-26, and IC 12-27, the term
- 25 refers to the division whose director has administrative control of and
- 26 responsibility for the appropriate state institution.
- 27 SECTION 2. IC 12-7-2-110, AS AMENDED BY P.L.120-2002,
- 28 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 29 JULY 1, 2003]: Sec. 110. "Hospital" means the following:
- 30 (1) For purposes of IC 12-15-11.5, the meaning set forth in
- 31 IC 12-15-11.5-1.
- 32 (2) For purposes of IC 12-15-18, the meaning set forth in
- 33 IC 12-15-18-2.
- 34 (3) For purposes of IC 12-16, except IC 12-16-1, and for purposes
- 35 of ~~IC 12-16.1~~, the term refers to a hospital licensed under
- 36 IC 16-21.
- 37 SECTION 3. IC 12-7-2-164, AS AMENDED BY P.L.120-2002,
- 38 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 39 JULY 1, 2003]: Sec. 164. "Resident" has the following meaning:
- 40 (1) For purposes of IC 12-10-15, the meaning set forth in
- 41 IC 12-10-15-5.
- 42 (2) For purposes of IC 12-16, except IC 12-16-1, and for purposes

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1 of ~~IC 12-16-1~~, an individual who has actually resided in Indiana
2 for at least ninety (90) days.

3 (3) For purposes of IC 12-20-8, the meaning set forth in
4 IC 12-20-8-1.

5 (4) For purposes of IC 12-24-5, the meaning set forth in
6 IC 12-24-5-1.

7 SECTION 4. IC 12-15-15-1.1, AS AMENDED BY P.L.1-2003,
8 SECTION 56, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
9 JULY 1, 2003]: Sec. 1.1. (a) This section applies to a hospital that is:

10 (1) licensed under IC 16-21; and

11 (2) established and operated under IC 16-22-2, IC 16-22-8, or
12 IC 16-23.

13 (b) For a state fiscal year ending after June 30, ~~2000~~, **2003**, in
14 addition to reimbursement received under section 1 of this chapter, a
15 hospital is entitled to reimbursement in an amount calculated as
16 follows:

17 STEP ONE: The office shall identify the aggregate inpatient
18 hospital services, reimbursable under this article and under the
19 state Medicaid plan, that were provided during the state fiscal
20 year by hospitals established and operated under IC 16-22-2,
21 IC 16-22-8, ~~and or~~ IC 16-23.

22 STEP TWO: For the aggregate inpatient hospital services
23 identified under STEP ONE, the office shall calculate the
24 aggregate payments made under this article and under the state
25 Medicaid plan to hospitals established and operated under
26 IC 16-22-2, IC 16-22-8, ~~and or~~ IC 16-23, excluding payments
27 under IC 12-15-16, IC 12-15-17, and IC 12-15-19.

28 STEP THREE: The office shall calculate ~~an amount equal to a~~
29 **percentage of** a reasonable estimate of the amount that would
30 have been paid in the aggregate by the office for the inpatient
31 hospital services described in STEP ONE under Medicare
32 payment principles. ~~The office shall apply in this STEP the~~
33 **maximum percentage permitted for the state under federal**
34 **Medicaid law:**

35 STEP FOUR: Subtract the amount calculated under STEP TWO
36 from the amount calculated under STEP THREE.

37 **STEP FIVE: Subject to subsection (g), from the amount**
38 **calculated under STEP FOUR, allocate to a hospital**
39 **established and operated under IC 16-22-8 an amount equal**
40 **to one hundred percent (100%) of the difference between:**

41 **(A) the total cost for the hospital's provision of inpatient**
42 **services covered under this article for the hospital's fiscal**

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1 year ending during the state fiscal year; and
 2 **(B) the total payment to the hospital for its provision of**
 3 **inpatient services covered under this article for the**
 4 **hospital's fiscal year ending during the state fiscal year,**
 5 **excluding payments under IC 12-15-16, IC 12-15-17, and**
 6 **IC 12-15-19.**

7 **STEP SIX: Subtract the amount calculated under STEP FIVE**
 8 **from the amount calculated under STEP FOUR.**

9 ~~STEP FIVE: SEVEN:~~ Distribute an amount equal to the amount
 10 calculated under ~~STEP FOUR~~ **SIX** to the eligible hospitals
 11 **established and operated under IC 16-22-2 or IC 16-23**
 12 described in subsection (c) in proportion to each hospital's
 13 Medicaid shortfall as defined in subsection (f).

14 (c) Subject to subsection (e), reimbursement for a state fiscal year
 15 under this section consists of ~~a single payment~~ **payments** made after
 16 the close of each state fiscal year. Payment for a state fiscal year ending
 17 after June 30, ~~2001~~, **2003**, shall be made before December 31 following
 18 the state fiscal year's end. A hospital is not eligible for a payment
 19 described in this subsection unless an intergovernmental transfer is
 20 made under subsection (d).

21 (d) Subject to subsection (e), a hospital may make an
 22 intergovernmental transfer under this subsection, or an
 23 intergovernmental transfer may be made on behalf of the hospital, after
 24 the close of each state fiscal year. An intergovernmental transfer under
 25 this subsection must be made to the Medicaid indigent care trust fund
 26 in an amount equal to a percentage, as determined by the office, of the
 27 amount to be distributed to the hospital under ~~STEP FIVE~~ **SEVEN** of
 28 subsection (b). In determining the percentage, the office shall apply the
 29 same percentage of not more than eighty-five percent (85%) to all
 30 hospitals eligible for reimbursement under ~~STEP FIVE~~ **SEVEN** of
 31 subsection (b). The office shall use the intergovernmental transfer to
 32 fund payments made under this section and as otherwise provided
 33 under ~~IC 12-15-20-2(5)~~. **IC 12-15-20-2(8)**.

34 (e) A hospital making an intergovernmental transfer under
 35 subsection (d) may appeal under IC 4-21.5 the amount determined by
 36 the office to be paid the hospital under ~~STEP FIVE~~ **SEVEN** of
 37 subsection (b). The periods described in subsections (c) and (d) for the
 38 hospital to make an intergovernmental transfer are tolled pending the
 39 administrative appeal and any judicial review initiated by the hospital
 40 under IC 4-21.5. The distribution to other hospitals under ~~STEP FIVE~~
 41 **SEVEN** of subsection (b) may not be delayed due to an administrative
 42 appeal or judicial review instituted by a hospital under this subsection.



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1 If necessary, the office may make a partial distribution to the other
 2 eligible hospitals under STEP ~~FIVE SEVEN~~ of subsection (b) pending
 3 the completion of a hospital's administrative appeal or judicial review,
 4 at which time the remaining portion of the payments due to the eligible
 5 hospitals shall be made. A partial distribution may be based upon
 6 estimates and trends calculated by the office.

7 (f) For purposes of this section:

8 (1) ~~a hospital's~~ **the Medicaid shortfall of a hospital established**
 9 **and operated under IC 16-22-2 or IC 16-23** is calculated as
 10 follows:

11 STEP ONE: The office shall identify the inpatient hospital
 12 services, reimbursable under this article and under the state
 13 Medicaid plan, that were provided during the state fiscal year
 14 by the hospital.

15 STEP TWO: For the inpatient hospital services identified
 16 under STEP ONE, the office shall calculate the payments
 17 made under this article and under the state Medicaid plan to
 18 the hospital, excluding payments under IC 12-15-16,
 19 IC 12-15-17, and IC 12-15-19.

20 STEP THREE: The office shall calculate ~~an amount equal to~~
 21 ~~a percentage of~~ a reasonable estimate of the amount that would
 22 have been paid by the office for the inpatient hospital services
 23 described in STEP ONE under Medicare payment principles;
 24 ~~The office shall apply in this STEP the maximum percentage~~
 25 ~~permitted for the state under federal Medicaid law;~~ and

26 (2) a hospital's Medicaid shortfall is equal to the amount by which
 27 the amount calculated in STEP THREE of subdivision (1) is
 28 greater than the amount calculated in STEP TWO of subdivision
 29 (1).

30 (g) **The actual distribution of the amount calculated under**
 31 **STEP FIVE of subsection (b) to a hospital established and operated**
 32 **under IC 16-22-8 shall be made under the terms and conditions**
 33 **provided for the hospital in the state plan for medical assistance.**
 34 **Payment to a hospital under STEP FIVE of subsection (b) is not a**
 35 **condition precedent to the tender of payments to hospitals under**
 36 **STEP SEVEN of subsection (b).**

37 SECTION 5. IC 12-15-15-1.3, AS ADDED BY P.L.120-2002,
 38 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 JULY 1, 2003]: Sec. 1.3. (a) This section applies to a hospital that is:

40 (1) licensed under IC 16-21; and

41 (2) established and operated under IC 16-22-2, IC 16-22-8, or
 42 IC 16-23.

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1 (b) For a state fiscal year ending after June 30, ~~2000~~, **2003**, in
 2 addition to reimbursement received under section 1 of this chapter, a
 3 hospital is entitled to reimbursement in an amount calculated as
 4 follows:

5 STEP ONE: The office shall identify the aggregate outpatient
 6 hospital services, reimbursable under this article and under the
 7 state Medicaid plan, that were provided during the state fiscal
 8 year by hospitals established and operated under IC 16-22-2,
 9 IC 16-22-8, ~~and or~~ IC 16-23.

10 STEP TWO: For the aggregate outpatient hospital services
 11 identified under STEP ONE, the office shall calculate the
 12 aggregate payments made under this article and under the state
 13 Medicaid plan to hospitals established and operated under
 14 IC 16-22-2, IC 16-22-8, ~~and or~~ IC 16-23, excluding payments
 15 under IC 12-15-16, IC 12-15-17, and IC 12-15-19.

16 STEP THREE: The office shall calculate ~~an amount equal to a~~
 17 ~~percentage of~~ a reasonable estimate of the amount that would
 18 have been paid in the aggregate by the office under Medicare
 19 payment principles for the outpatient hospital services described
 20 in STEP ONE. ~~The office shall apply in this STEP the maximum~~
 21 ~~percentage permitted for the state under federal Medicaid law.~~

22 STEP FOUR: Subtract the amount calculated under STEP TWO
 23 from the amount calculated under STEP THREE.

24 **STEP FIVE: Subject to subsection (g), from the amount**
 25 **calculated under STEP FOUR, allocate to a hospital**
 26 **established and operated under IC 16-22-8 an amount equal**
 27 **to one hundred percent (100%) of the difference between:**

28 (A) the total cost for the hospital's provision of outpatient
 29 services covered under this article for the hospital's fiscal
 30 year ending during the state fiscal year; and

31 (B) the total payment to the hospital for its provision of
 32 outpatient services covered under this article for the
 33 hospital's fiscal year ending during the state fiscal year,
 34 excluding payments under IC 12-15-16, IC 12-15-17, and
 35 IC 12-15-19.

36 **STEP SIX: Subtract the amount calculated under STEP FIVE**
 37 **from the amount calculated under STEP FOUR.**

38 ~~STEP FIVE: SEVEN:~~ Distribute an amount equal to the amount
 39 calculated under ~~STEP FOUR~~ **SIX** to the eligible hospitals
 40 **established and operated under IC 16-22-2 or IC 16-23**
 41 described in subsection (c) in proportion to each hospital's
 42 Medicaid shortfall as defined in subsection (f).

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1 (c) Subject to subsection (e), the reimbursement for a state fiscal
 2 year under this section consists of ~~a single payment~~ **payments** made
 3 before December 31 following the end of the state fiscal year. A
 4 hospital is not eligible for a payment described in this subsection unless
 5 an intergovernmental transfer is made under subsection (d).

6 (d) Subject to subsection (e), a hospital may make an
 7 intergovernmental transfer under this subsection, or an
 8 intergovernmental transfer may be made on behalf of the hospital, after
 9 the close of each state fiscal year. An intergovernmental transfer under
 10 this subsection must be made to the Medicaid indigent care trust fund
 11 in an amount equal to a percentage, as determined by the office, of the
 12 amount to be distributed to the hospital under ~~STEP FIVE SEVEN~~ of
 13 subsection (b). In determining the percentage, the office shall apply the
 14 same percentage of not more than eighty-five percent (85%) to all
 15 hospitals eligible for reimbursement under ~~STEP FIVE SEVEN~~ of
 16 subsection (b). The office shall use the intergovernmental transfer to
 17 fund payments made under this section and as otherwise provided
 18 under ~~IC 12-15-20-2(5)~~. **IC 12-15-20-2(8)**.

19 (e) A hospital making an intergovernmental transfer under
 20 subsection (d) may appeal under IC 4-21.5 the amount determined by
 21 the office to be paid by the hospital under ~~STEP FIVE SEVEN~~ of
 22 subsection (b). The periods described in subsections (c) and (d) for the
 23 hospital to make an intergovernmental transfer are tolled pending the
 24 administrative appeal and any judicial review initiated by the hospital
 25 under IC 4-21.5. The distribution to other hospitals under ~~STEP FIVE~~
 26 **SEVEN** of subsection (b) may not be delayed due to an administrative
 27 appeal or judicial review instituted by a hospital under this subsection.
 28 If necessary, the office may make a partial distribution to the other
 29 eligible hospitals under ~~STEP FIVE SEVEN~~ of subsection (b) pending
 30 the completion of a hospital's administrative appeal or judicial review,
 31 at which time the remaining portion of the payments due to the eligible
 32 hospitals must be made. A partial distribution may be calculated by the
 33 office based upon estimates and trends.

34 (f) For purposes of this section:

35 (1) ~~a hospital's~~ **the Medicaid shortfall of a hospital operated**
 36 **under IC 16-22-2 or IC 16-23** is calculated as follows:

37 STEP ONE: The office shall identify the outpatient hospital
 38 services, reimbursable under this article and under the state
 39 Medicaid plan, that were provided during the state fiscal year
 40 by the hospital.

41 STEP TWO: For the outpatient hospital services identified
 42 under STEP ONE, the office shall calculate the payments

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1 made under this article and under the state Medicaid plan to
 2 the hospital, excluding payments under IC 12-15-16,
 3 IC 12-15-17, and IC 12-15-19.

4 STEP THREE: The office shall calculate ~~an amount equal to~~
 5 ~~a percentage of~~ a reasonable estimate of the amount that would
 6 have been paid by the office for the outpatient hospital
 7 services described in STEP ONE under Medicare payment
 8 principles; ~~The office shall apply in this STEP the maximum~~
 9 ~~percentage permitted for the state under federal Medicaid law;~~
 10 and

11 (2) a hospital's Medicaid shortfall is equal to the amount by which
 12 the amount calculated in STEP THREE of subdivision (1) is
 13 greater than the amount calculated in STEP TWO of subdivision
 14 (1).

15 **(g) The actual distribution of the amount calculated under**
 16 **STEP FIVE of subsection (b) to a hospital established and operated**
 17 **under IC 16-22-8 shall be made under the terms and conditions**
 18 **provided for the hospital in the state plan for medical assistance.**
 19 **Payment to a hospital under STEP FIVE of subsection (b) is not a**
 20 **condition precedent to the tender of payments to hospitals under**
 21 **STEP SEVEN of subsection (b).**

22 SECTION 6. IC 12-15-15-1.5 IS ADDED TO THE INDIANA
 23 CODE AS A NEW SECTION TO READ AS FOLLOWS
 24 [EFFECTIVE JULY 1, 2003]: **Sec. 1.5. (a) This section applies to a**
 25 **hospital that:**

- 26 **(1) is licensed under IC 16-21;**
 27 **(2) is not a unit of state or local government; and**
 28 **(3) is not owned or operated by a unit of state or local**
 29 **government.**

30 **(b) For a state fiscal year ending after June 30, 2003, in addition**
 31 **to reimbursement received under section 1 of this chapter, a**
 32 **hospital eligible under this section is entitled to reimbursement in**
 33 **an amount calculated as follows:**

34 **STEP ONE: The office shall identify the aggregate inpatient**
 35 **hospital services and the total outpatient hospital services,**
 36 **reimbursable under this article and under the state Medicaid**
 37 **plan, that were provided during the state fiscal year by the**
 38 **hospitals described in subsection (a).**

39 **STEP TWO: For the total inpatient hospital services and**
 40 **outpatient hospital services identified under STEP ONE, the**
 41 **office shall calculate the aggregate payments made under this**
 42 **article and under the state Medicaid plan to hospitals**

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1 described in subsection (a), excluding payments under
2 IC 12-15-16, IC 12-15-17, and IC 12-15-19.

3 **STEP THREE:** The office shall calculate a reasonable
4 estimate of the amount that would have been paid in all by the
5 office for the inpatient hospital services and outpatient
6 hospital services described in STEP ONE under Medicare
7 payment principles.

8 **STEP FOUR:** Subtract the amount calculated under STEP
9 TWO from the amount calculated under STEP THREE.

10 **STEP FIVE:** Distribute an amount equal to the amount
11 calculated under STEP FOUR to the eligible hospitals
12 described in subsection (a) as follows:

13 (A) Subject to the availability of funds under
14 IC 12-15-20-2(8)(D) to serve as the non-federal share of
15 such payment, the first ten million dollars (\$10,000,000) of
16 the amount calculated under STEP FOUR for a state fiscal
17 year shall be paid to a hospital described in subsection (a)
18 that has more than seventy thousand (70,000) Medicaid
19 inpatient days.

20 (B) Following the payment to the hospital under clause (A)
21 and subject to the availability of funds under
22 IC 12-15-20-2(8)(D) to serve as the non-federal share of
23 such payments, the remaining amount calculated under
24 STEP FOUR for a state fiscal year shall be paid to all
25 hospitals described in subsection (a). The payments shall
26 be made on a pro rata basis based on the hospitals'
27 Medicaid inpatient days or other payment methodology
28 approved by the Centers for Medicare and Medicaid
29 Services.

30 (C) Subject to IC 12-15-20.7, in the event the entirety of the
31 amount calculated under STEP FOUR is not distributed
32 following the payments made under clauses (A) and (B),
33 the remaining amount may be paid to hospitals described
34 in subsection (a), provided that the non-federal share of a
35 hospital's payment is provided by or on behalf of the
36 hospital. The remaining amount shall be paid to those
37 hospitals on a pro rata basis based on the hospitals'
38 Medicaid inpatient days or other payment methodology
39 approved by the Centers for Medicare and Medicaid
40 Services.

41 (D) For purposes of the clauses (A), (B) and (C), a
42 hospital's Medicaid inpatient days are based on the

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1 Medicaid inpatient days allowed for the hospital by the
 2 office for purposes of the office's most recent
 3 determination of eligibility for the Medicaid
 4 disproportionate payment program under IC 12-15-16.

5 (c) Reimbursement for a state fiscal year under this section
 6 consists of payments made after the close of each state fiscal year.
 7 Payment for a state fiscal year ending after June 30, 2003, shall be
 8 made before December 31 following the end of the state fiscal year.

9 (d) A hospital described in subsection (a) may appeal under
 10 IC 4-21.5 the amount determined by the office to be paid to the
 11 hospital under STEP FIVE of subsection (b). The distribution to
 12 other hospitals under STEP FIVE of subsection (b) may not be
 13 delayed due to an administrative appeal or judicial review
 14 instituted by a hospital under this subsection. If necessary, the
 15 office may make a partial distribution to the other eligible hospitals
 16 under STEP FIVE of subsection (b) pending the completion of a
 17 hospital's administrative appeal or judicial review, at which time
 18 the remaining portion of the payments due to the eligible hospitals
 19 shall be made. A partial distribution may be based on estimates
 20 and trends calculated by the office.

21 SECTION 7. IC 12-15-15-9, AS AMENDED BY HEA 1167-2003,
 22 SECTION 57, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 23 JULY 1, 2003]: Sec. 9. (a) Subject to subsections (c), (f), (g), and (h);
 24 For purposes of this section and IC 12-16-7.5-4.5, a payable claim
 25 is attributed to a county if the payable claim is submitted to the
 26 division by a hospital licensed under IC 16-21-2 for payment under
 27 IC 12-16-7.5 for care provided by the hospital to an individual who
 28 qualifies for the hospital care for the indigent program under
 29 IC 12-16-3.5-1 or IC 12-16-3.5-2 and:

- 30 (1) who is a resident of the county;
 31 (2) who is not a resident of the county and for whom the onset
 32 of the medical condition that necessitated the care occurred in
 33 the county; or
 34 (3) whose residence cannot be determined by the division and
 35 for whom the onset of the medical condition that necessitated
 36 the care occurred in the county.

37 (b) For each state fiscal year ending ~~June 30, 1998; June 30, 1999;~~
 38 ~~June 30, 2000; June 30, 2001; June 30, 2002;~~ after June 30, 2003, and
 39 ~~June 30, 2004;~~ a hospital licensed under IC 16-21-2 that submits to
 40 the division during the state fiscal year a payable claim under
 41 IC 12-16-7.5 is entitled to a payment under this section.

42 (b) Subject to subsections (c), (f), (g), and (h); total payments to

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1 hospitals under this section for a state fiscal year shall be equal to all
2 amounts transferred from the state hospital care for the indigent fund
3 established under IC 12-16 or IC 12-16.1 for Medicaid current
4 obligations during the state fiscal year, including amounts of the fund
5 appropriated for Medicaid current obligations:

6 (c) The payment due to a hospital under this section must be based
7 on a policy developed by the office. The policy:

8 (1) is not required to provide for equal payments to all hospitals;
9 (2) must attempt, to the extent practicable as determined by the
10 office, to establish a payment rate that minimizes the difference
11 between the aggregate amount paid under this section to all
12 hospitals in a county for a state fiscal year and the amount of the
13 county's hospital care for the indigent property tax levy for that
14 state fiscal year; and

15 (3) must provide that no hospital will receive a payment under
16 this section less than the amount the hospital received under
17 section 8 of this chapter for the state fiscal year ending June 30,
18 1997.

19 (d) Following the transfer of funds under subsection (b), an amount
20 equal to the amount determined in the following STEPS shall be
21 deposited in the Medicaid indigent care trust fund under
22 IC 12-15-20-2(2) and used to fund a portion of the state's share of the
23 disproportionate share payments to providers for the state fiscal year:

24 STEP ONE: Determine the difference between:

25 (A) the amount transferred from the state hospital care for the
26 indigent fund under subsection (b); and

27 (B) thirty-five million dollars (\$35,000,000):

28 STEP TWO: Multiply the amount determined under STEP ONE
29 by the federal medical assistance percentage for the state fiscal
30 year:

31 (e) If funds are transferred under IC 12-16-14.1-2(e), those funds
32 must be used for the state's share of funding for payments to hospitals
33 under this subsection. A payment under this subsection shall be made
34 to all hospitals that received a payment under this section for the state
35 fiscal year beginning July 1, 2003, and ending June 30, 2004. Payments
36 under this subsection shall be in proportion to each hospital's payment
37 under this section for the state fiscal year beginning July 1, 2003, and
38 ending June 30, 2004.

39 (f) If the office does not implement an uninsured parents program
40 as provided for in IC 12-17.7 before July 1, 2005, and funds are
41 transferred under IC 12-16-14.1-3, a hospital is entitled to a payment
42 under this section for the state fiscal year beginning on July 1, 2004.

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1 Payments under this subsection shall be made after July 1, 2005, but
2 before December 31, 2005.

3 (g) If the office does not implement an uninsured parents program
4 as provided for in IC 12-17.7 before July 1, 2005, a hospital is entitled
5 to a payment under this section for state fiscal years ending after June
6 30, 2005.

7 (h) If funds are transferred under IC 12-17.7-9-2, those funds shall
8 be used for the state's share of payments to hospitals under this
9 subsection. A payment under this subsection shall be made to all
10 hospitals that received a payment under this section for the state fiscal
11 year beginning July 1, 2003, and ending June 30, 2004. Payments
12 under this subsection shall be in proportion to each hospital's payment
13 under this section for the state fiscal year beginning July 1, 2003, and
14 ending June 30, 2004.

15 (c) For a state fiscal year, subject to section 9.6 of this chapter,
16 the office shall pay to a hospital referred to in subsection (b) an
17 amount equal to the amount, based on information obtained from
18 the division and the calculations and allocations made under
19 IC 12-16-7.5-4.5, that the office determines for the hospital under
20 STEP SIX of the following STEPS:

21 **STEP ONE: Identify:**

22 (A) each hospital that submitted to the division one (1) or
23 more payable claims under IC 12-16-7.5 during the state
24 fiscal year; and

25 (B) the county to which each payable claim is attributed.

26 **STEP TWO: For each county identified in STEP ONE,**
27 **identify:**

28 (A) each hospital that submitted to the division one (1) or
29 more payable claims under IC 12-16-7.5 attributed to the
30 county during the state fiscal year; and

31 (B) the total amount of all hospital payable claims
32 submitted to the division under IC 12-16-7.5 attributed to
33 the county during the state fiscal year.

34 **STEP THREE: For each county identified in STEP ONE,**
35 **identify the amount of county funds transferred to the**
36 **Medicaid indigent care trust fund under IC 12-16-7.5-4.5(b).**

37 **STEP FOUR: For each hospital identified in STEP ONE, with**
38 **respect to each county identified in STEP ONE, calculate the**
39 **hospital's percentage share of the county's funds transferred**
40 **to the Medicaid indigent care trust fund under**
41 **IC 12-16-7.5-4.5(b). Each hospital's percentage share is based**
42 **on the total amount of the hospital's payable claims submitted**

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1 to the division under IC 12-16-7.5 attributed to the county
 2 during the state fiscal year, calculated as a percentage of the
 3 total amount of all hospital payable claims submitted to the
 4 division under IC 12-16-7.5 attributed to the county during
 5 the state fiscal year.

6 **STEP FIVE:** Subject to subsection (i), for each hospital
 7 identified in STEP ONE, with respect to each county
 8 identified in STEP ONE, multiply the hospital's percentage
 9 share calculated under STEP FOUR by the amount of the
 10 county's funds transferred to the Medicaid indigent care trust
 11 fund under IC 12-16-7.5-4.5(b).

12 **STEP SIX:** Determine the sum of all amounts calculated
 13 under STEP FIVE for each hospital identified in STEP ONE
 14 with respect to each county identified in STEP ONE.

15 (d) A hospital's payment under subsection (c) is in the form of
 16 a Medicaid add-on payment. The amount of a hospital's add-on
 17 payment is subject to the availability of funding for the non-federal
 18 share of the payment under subsection (e). The office shall make
 19 the payments under subsection (c) before December 15 that next
 20 succeeds the end of the state fiscal year.

21 (e) The non-federal share of a payment to a hospital under
 22 subsection (c) is funded from the funds transferred to the Medicaid
 23 indigent care trust fund under IC 12-16-7.5-4.5(b) of each county
 24 to which a payable claim under IC 12-16-7.5 submitted to the
 25 division during the state fiscal year by the hospital is attributed.

26 (f) The amount of a county's transferred funds available to be
 27 used to fund the non-federal share of a payment to a hospital under
 28 subsection (c) is an amount that bears the same proportion to the
 29 total amount of funds of the county transferred to the Medicaid
 30 indigent care trust fund under IC 12-16-7.5-4.5(b) that the total
 31 amount of the hospital's payable claims under IC 12-16-7.5
 32 attributed to the county submitted to the division during the state
 33 fiscal year bears to the total amount of all hospital payable claims
 34 under IC 12-16-7.5 attributed to the county submitted to the
 35 division during the state fiscal year.

36 (g) Any county's funds identified in subsection (f) that remain
 37 after the non-federal share of a hospital's payment has been funded
 38 are available to serve as the non-federal share of a payment to a
 39 hospital under section 9.5 of this chapter.

40 (h) For purposes of this section, "payable claim" has the
 41 meaning set forth in IC 12-16-7.5-2.5(b)(1).

42 (i) For purposes of this section:

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- 1 **(1) the amount of a payable claim is an amount equal to the**
- 2 **amount the hospital would have received under the state's**
- 3 **fee-for-service Medicaid reimbursement principles for the**
- 4 **hospital care for which the payable claim is submitted under**
- 5 **IC 12-16-7.5 if the individual receiving the hospital care had**
- 6 **been a Medicaid enrollee; and**
- 7 **(2) a payable hospital claim under IC 12-16-7.5 includes a**
- 8 **payable claim under IC 12-16-7.5 for the hospital's care**
- 9 **submitted by an individual or entity other than the hospital,**
- 10 **to the extent permitted under the hospital care for the**
- 11 **indigent program.**

12 **(j) The amount calculated under STEP FIVE of subsection (c)**
 13 **for a hospital with respect to a county may not exceed the total**
 14 **amount of the hospital's payable claims attributed to the county**
 15 **during the state fiscal year.**

16 SECTION 8. IC 12-15-15-9.5 IS ADDED TO THE INDIANA
 17 CODE AS A NEW SECTION TO READ AS FOLLOWS
 18 [EFFECTIVE JULY 1, 2003]: **Sec. 9.5. (a) For purposes of this**
 19 **section and IC 12-16-7.5-4.5, a payable claim is attributed to a**
 20 **county if the payable claim is submitted to the division by a**
 21 **hospital licensed under IC 16-21-2 for payment under IC 12-16-7.5**
 22 **for care provided by the hospital to an individual who qualifies for**
 23 **the hospital care for the indigent program under IC 12-16-3.5-1 or**
 24 **IC 12-16-3.5-2 and;**

- 25 **(1) who is a resident of the county;**
- 26 **(2) who is not a resident of the county and for whom the onset**
- 27 **of the medical condition that necessitated the care occurred in**
- 28 **the county; or**
- 29 **(3) whose residence cannot be determined by the division and**
- 30 **for whom the onset of the medical condition that necessitated**
- 31 **the care occurred in the county.**

32 **(b) For each state fiscal year ending after June 30, 2003, a**
 33 **hospital licensed under IC 16-21-2:**

- 34 **(1) that submits to the division during the state fiscal year a**
- 35 **payable claim under IC 12-16-7.5; and**
- 36 **(2) whose payment under section 9(c) of this chapter was less**
- 37 **than the total amount of the hospital's payable claims under**
- 38 **IC 12-16-7.5 submitted by the hospital to the division during**
- 39 **the state fiscal year;**

40 **is entitled to a payment under this section.**

41 **(c) For a state fiscal year, subject to section 9.6 of this chapter,**
 42 **the office shall pay to a hospital referred to in subsection (b) an**

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1 amount equal to the amount, based on information obtained from
 2 the division and the calculations and allocations made under
 3 IC 12-16-7.5-4.5, that the office determines for the hospital under
 4 STEP EIGHT of the following STEPS:

5 STEP ONE: Identify each county whose transfer of funds to
 6 the Medicaid indigent care trust fund under
 7 IC 12-16-7.5-4.5(b) for the state fiscal year was less than the
 8 total amount of all hospital payable claims attributed to the
 9 county and submitted to the division during the state fiscal
 10 year.

11 STEP TWO: For each county identified in STEP ONE,
 12 calculate the difference between the amount of funds of the
 13 county transferred to the Medicaid indigent care trust fund
 14 under IC 12-16-7.5-4.5(b) for the state fiscal year and the total
 15 amount of all hospital payable claims attributed to the county
 16 and submitted to the division during the state fiscal year.

17 STEP THREE: Calculate the sum of the amounts calculated
 18 for the counties under STEP TWO.

19 STEP FOUR: Identify each hospital whose payment under
 20 section 9(c) of this chapter was less than the total amount of
 21 the hospital's payable claims under IC 12-16-7.5 submitted by
 22 the hospital to the division during the state fiscal year.

23 STEP FIVE: Calculate for each hospital identified in STEP
 24 FOUR the difference between the hospital's payment under
 25 section 9(c) of this chapter and the total amount of the
 26 hospital's payable claims under IC 12-16-7.5 submitted by the
 27 hospital to the division during the state fiscal year.

28 STEP SIX: Calculate the sum of the amounts calculated for
 29 the hospitals under STEP FIVE.

30 STEP SEVEN: For each hospital identified in STEP FOUR,
 31 calculate the hospital's percentage share of the amount
 32 calculated under STEP SIX. Each hospital's percentage share
 33 is based on the amount calculated for the hospital under
 34 STEP FIVE calculated as a percentage of the sum calculated
 35 under STEP SIX.

36 STEP EIGHT: For each hospital identified in STEP FOUR,
 37 multiply the hospital's percentage share calculated under
 38 STEP SEVEN by the sum calculated under STEP THREE.
 39 The amount calculated under this STEP for a hospital may
 40 not exceed the amount by which the hospital's total payable
 41 claims under IC 12-16-7.5 submitted during the state fiscal
 42 year exceeded the amount of the hospital's payment under

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section 9(c) of this chapter.

(d) A hospital's payment under subsection (c) is in the form of a Medicaid add-on payment. The amount of the hospital's add-on payment is subject to the availability of funding for the non-federal share of the payment under subsection (e). The office shall make the payments under subsection (c) before December 15 that next succeeds the end of the state fiscal year.

(e) The non-federal share of a payment to a hospital under subsection (c) is derived from funds transferred to the Medicaid indigent care trust fund under IC 12-16-7.5-4.5(b) and not expended under section 9 of this chapter. To the extent possible, the funds shall be derived on a proportional basis from the funds transferred by each county identified in subsection (c), STEP ONE:

- (1) to which at least one (1) payable claim submitted by the hospital to the division during the state fiscal year is attributed; and
- (2) whose funds transferred to the Medicaid indigent care trust fund under IC 12-16-7.5-4.5(b) were not completely expended under section 9 of this chapter.

The amount available to be derived from the remaining funds transferred to the Medicaid indigent care trust fund under IC 12-16-7.5-4.5(b) to serve as the non-federal share of payments to a hospital under subsection (c) is an amount that bears the same proportion to the total amount of funds transferred by all the counties identified in subsection (c), STEP ONE, that the amount calculated for the hospital under subsection (c), STEP FIVE, bears to the amount calculated under subsection (c), STEP SIX.

(f) Except as provided in subsection (g), the office may not make a payment under this section until the payments due under section 9 of this chapter for the state fiscal year have been made.

(g) If a hospital appeals a decision by the office regarding the hospital's payment under section 9 of this chapter, the office may make payments under this section before all payments due under section 9 of this chapter are made if:

- (1) a delay in one (1) or more payments under section 9 of this chapter resulted from the appeal; and
- (2) the office determines that making payments under this section while the appeal is pending will not unreasonably affect the interests of the hospitals eligible for a payment under this section.

(h) Any funds transferred to the Medicaid indigent care trust fund under IC 12-16-7.5-4.5(b) for a state fiscal year remaining

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1 after payments are made under this section shall be used as
2 provided in IC 12-15-20-2(8).

3 (i) For purposes of this section:

4 (1) "payable claim" has the meaning set forth in
5 IC 12-16-7.5-2.5(b);

6 (2) the amount of a payable claim is an amount equal to the
7 amount the hospital would have received under the state's
8 fee-for-service Medicaid reimbursement principles for the
9 hospital care for which the payable claim is submitted under
10 IC 12-16-7.5 if the individual receiving the hospital care had
11 been a Medicaid enrollee; and

12 (3) a payable hospital claim under IC 12-16-7.5 includes a
13 payable claim under IC 12-16-7.5 for the hospital's care
14 submitted by an individual or entity other than the hospital,
15 to the extent permitted under the hospital care for the
16 indigent program.

17 SECTION 9. IC 12-15-15-9.6 IS ADDED TO THE INDIANA
18 CODE AS A NEW SECTION TO READ AS FOLLOWS
19 [EFFECTIVE JULY 1, 2003]: Sec. 9.6. The total amount of
20 payments to hospitals under sections 9 and 9.5 of this chapter may
21 not exceed the amount transferred to the Medicaid indigent care
22 trust fund under IC 12-16-7.5-4.5(b) for the state fiscal year.

23 SECTION 10. IC 12-15-20-2, AS AMENDED BY P.L.120-2002,
24 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
25 JULY 1, 2003]: Sec. 2. The Medicaid indigent care trust fund is
26 established to pay the state's non-federal share of the following:

27 (1) Enhanced disproportionate share payments to providers under
28 IC 12-15-19-1.

29 (2) Subject to subdivision (5), (8), disproportionate share
30 payments to providers under IC 12-15-19-2.1.

31 (3) Medicaid payments for pregnant women described in
32 IC 12-15-2-13 and infants and children described in
33 IC 12-15-2-14.

34 (4) Municipal disproportionate share payments to providers under
35 IC 12-15-19-8.

36 (5) Payments to hospitals under IC 12-15-15-9.

37 (6) Payments to hospitals under IC 12-15-15-9.5.

38 (7) Payments, funding, and transfers as otherwise provided in
39 clauses (8)(D) and (8)(F).

40 (8) Of the intergovernmental transfers deposited into the
41 Medicaid indigent care trust fund, the following apply:

42 (A) The entirety of the intergovernmental transfers deposited

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1 into the Medicaid indigent care trust fund for state fiscal years
 2 ending on or before June 30, 2000, shall be used to fund the
 3 state's share of the disproportionate share payments to
 4 providers under IC 12-15-19-2.1.

5 (B) Of the intergovernmental transfers deposited into the
 6 Medicaid indigent care trust fund for the state fiscal year
 7 ending June 30, 2001, an amount equal to one hundred percent
 8 (100%) of the total intergovernmental transfers deposited into
 9 the Medicaid indigent care trust fund for the state fiscal year
 10 beginning July 1, 1998, and ending June 30, 1999, shall be
 11 used to fund the state's share of disproportionate share
 12 payments to providers under IC 12-15-19-2.1. The remainder
 13 of the intergovernmental transfers, if any, for the state fiscal
 14 year shall be used to fund the state's share of additional
 15 Medicaid payments to hospitals licensed under IC 16-21
 16 pursuant to a methodology adopted by the office.

17 (C) Of the intergovernmental transfers deposited into the
 18 Medicaid indigent care trust fund, for state fiscal years
 19 beginning July 1, 2001, ~~and July 1, 2002, and July 1, 2003,~~ an
 20 amount equal to:

21 (i) one hundred percent (100%) of the total
 22 intergovernmental transfers deposited into the Medicaid
 23 indigent care trust fund for the state fiscal year beginning
 24 July 1, 1998; minus

25 (ii) an amount equal to the amount deposited into the
 26 Medicaid indigent care trust fund under IC 12-15-15-9(d)
 27 for the state fiscal years beginning July 1, 2001, ~~and July 1,~~
 28 ~~2002; and July 1, 2003;~~

29 shall be used to fund the state's share of disproportionate share
 30 payments to providers under IC 12-15-19-2.1. The remainder
 31 of the intergovernmental transfers, if any, must be used to fund
 32 the state's share of additional Medicaid payments to hospitals
 33 licensed under IC 16-21 pursuant to a methodology adopted by
 34 the office.

35 (D) Of the intergovernmental transfers, **which shall include**
 36 **amounts transferred under IC 12-16-7.5-4.5(b), STEP**
 37 **FOUR,** deposited into the Medicaid indigent care trust fund
 38 for state fiscal years ending after June 30, ~~2004,~~ **2003,** an
 39 amount equal to:

40 (i) one hundred percent (100%) of the total
 41 intergovernmental transfers deposited into the Medicaid
 42 indigent care trust fund for the state fiscal year beginning

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July 1, 1998, and ending June 30, 1999; minus
(ii) an amount equal to the amount deposited into the
Medicaid indigent care trust fund under ~~IC 12-15-15-9(d)~~
IC 12-16-7.5-4.5(b) for the state fiscal year ending **after**
June 30, ~~2004~~; **2003**;

shall be used to fund the ~~state's~~ **non-federal** share of
disproportionate share payments to providers under
IC 12-15-19-2.1. The remainder of the intergovernmental
transfers, if any, for the state fiscal years shall be ~~transferred~~
to used to fund, in descending order of priority, the
non-federal share of payments to hospitals under
IC 12-15-15-9, the non-federal share of payments to
hospitals under IC 12-15-15-9.5, the amount to be
transferred under clause (F), and the non-federal share of
payments under clauses (A) and (B) of STEP FIVE of
IC 12-15-15-1.5(b). ~~the state uninsured parents program fund~~
~~established under IC 12-17.8-2-1 to fund the state's share of~~
~~funding for the uninsured parents program established under~~
~~IC 12-17.7.~~

(E) If the office does not implement an uninsured parents
program as provided for in ~~IC 12-17.7~~ before July 1, 2005, the
intergovernmental transfers transferred to the state uninsured
parents program fund under clause (B) shall be returned to the
Medicaid indigent care trust fund to be used to fund the state's
share of Medicaid add-on payments to hospitals licensed under
~~IC 16-21~~ under a payment methodology which shall be
developed by the office. **The total amount of**
intergovernmental transfers used to fund the non-federal
share of payments to hospitals under IC 12-15-15-9 and
IC 12-15-15-9.5 shall not exceed the amount calculated
under STEP TWO of the following formula:

STEP ONE: Calculate the amount of funds transferred to
the Medicaid indigent care trust fund under
IC 12-16-7.5-4.5(b) for the state fiscal year.

STEP TWO: Multiply the state Medicaid medical
assistance percentage for the state fiscal year for which the
payments under IC 12-15-15-9 and IC 12-15-15-9.5 are to
be made by the amount calculated under STEP ONE.

(F) As provided in clause (D), for each fiscal year ending
after June 30, 2003, an amount equal to the amount
calculated under **STEP THREE** of the following formula
shall be transferred to the office:

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STEP ONE: Calculate the product of thirty-five million dollars (\$35,000,000) multiplied by the federal medical assistance percentage for federal fiscal year 2003.

STEP TWO: Calculate the sum of the amounts, if any, reasonably estimated by the office to be transferred or otherwise made available to the office for the state fiscal year, and the amounts, if any, actually transferred or otherwise made available to the office for the state fiscal year, under arrangements whereby the office and a hospital licensed under IC 16-21-2 agree that an amount transferred or otherwise made available to the office by the hospital or on behalf of the hospital shall be included in the calculation under this STEP.

STEP THREE: Calculate the amount by which the product calculated under STEP ONE exceeds the sum calculated under STEP TWO.

(F) If funds are transferred under IC 12-17.7-9-2 or IC 12-17.8-2-4(d) to the Medicaid indigent care trust fund, the funds shall be used to fund the state's share of Medicaid add-on payments to hospitals licensed under IC 16-21 under a payment methodology which the office shall develop.

SECTION 11. IC 12-15-20.7 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]:

Chapter 20.7. Payment Schedule

Sec. 1. As used in this chapter:

- (1) "Medicaid inpatient payments for safety-net hospitals" means the payments provided for in the Medicaid state plan for inpatient services provided by hospitals that satisfy the definition of a safety-net hospital under the Medicaid state plan; and
- (2) "Medicaid outpatient payments for safety-net hospitals" means the payments provided for in the Medicaid state plan for outpatient services provided by hospitals that satisfy the definition of a safety-net hospital under the Medicaid state plan.

Sec. 2. For each state fiscal year, the office shall make the payments identified in this section in the following order:

- (1) First, payments under IC 12-15-15-9 and IC 12-15-15-9.5.
- (2) Second, payments under clauses (A) and (B) of STEP FIVE of IC 12-15-15-1.5(b).
- (3) Third, Medicaid inpatient payments for safety-net

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- 1 **hospitals and Medicaid outpatient payments for safety-net**
- 2 **hospitals.**
- 3 **(4) Fourth, payments under IC 12-15-15-1.1 and 12-15-15-1.3.**
- 4 **(5) Fifth, payments under IC 12-15-19-8 for municipal**
- 5 **disproportionate share hospitals.**
- 6 **(6) Sixth, payments under IC 12-15-19-2.1 for**
- 7 **disproportionate share hospitals.**
- 8 **(7) Seventh, payments under clause (C) of STEP FIVE of**
- 9 **IC 12-15-15-1.5(b).**

10 SECTION 12. IC 12-16-2.5-2, AS ADDED BY P.L.120-2002,
 11 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 JULY 1, 2003]: Sec. 2. The division shall adopt necessary forms to be
 13 used by the patients, hospitals, physicians, **transportation providers**,
 14 and county offices in carrying out the hospital care for the indigent
 15 program.

16 SECTION 13. IC 12-16-4.5-1, AS ADDED BY P.L.120-2002,
 17 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 18 JULY 1, 2003]: Sec. 1. **(a)** To receive payment from the division for
 19 the costs incurred in providing care to **care provided to** an indigent
 20 person, a hospital must file an application **regarding the person** with
 21 the county office of the county in which the hospital is located:
 22 **division.**

23 **(b) Upon receipt of an application under subsection (a), the**
 24 **division shall determine whether the person is a resident of Indiana**
 25 **and, if so, the person's county of residence. If the person is a**
 26 **resident of Indiana, the division shall provide a copy of the**
 27 **application to the county office of the person's county of residence.**
 28 **If the person is not a resident of Indiana, the division shall provide**
 29 **a copy of the application to the county office of the county where**
 30 **the onset of the medical condition that necessitated the care**
 31 **occurred. If the division cannot determine whether the person is a**
 32 **resident of Indiana or, if the person is a resident of Indiana, the**
 33 **person's county of residence, the division shall provide a copy of**
 34 **the application to the county office of the county where the onset**
 35 **of the medical condition that necessitated the care occurred.**

36 **(c) A county office that receives a request from the division shall**
 37 **cooperate with the division in determining whether a person is a**
 38 **resident of Indiana and, if the person is a resident of Indiana, the**
 39 **person's county of residence.**

40 SECTION 14. IC 12-16-4.5-2, AS ADDED BY P.L.120-2002,
 41 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 42 JULY 1, 2003]: Sec. 2. A hospital must file the application with a

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1 ~~county office~~ **the division** not more than thirty (30) days after the
 2 **patient person** has been admitted to, **or otherwise provided care by**,
 3 the hospital, unless the ~~patient person~~ is medically unable and the next
 4 of kin or legal representative is unavailable.

5 SECTION 15. IC 12-16-4.5-8, AS ADDED BY P.L.120-2002,
 6 SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 JULY 1, 2003]: Sec. 8. (a) A **patient person** may file an application
 8 directly with the ~~county office in the county where the hospital~~
 9 **providing care is located division** if the application is filed not more
 10 than thirty (30) days after the ~~patient's admission person was admitted~~
 11 to, **or provided care by**, the hospital.

12 (b) Reimbursement for the costs incurred in providing care to an
 13 eligible person may only be made to the providers of the care.

14 SECTION 16. IC 12-16-5.5-1, AS ADDED BY P.L.120-2002,
 15 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 16 JULY 1, 2003]: Sec. 1. ~~A county office~~ **The division** shall, upon
 17 receipt of an application of **or for a patient person who was** admitted
 18 to, **or who was otherwise provided care by**, a hospital, promptly
 19 investigate to determine the ~~patient's person's~~ eligibility under the
 20 hospital care for the indigent program. **The county office located in:**

21 **(1) the county where the person is a resident; or**

22 **(2) the county where the onset of the medical condition that**
 23 **necessitated the care occurred if the person's Indiana**
 24 **residency or Indiana county of residence cannot be**
 25 **determined;**

26 **shall cooperate with the division in determining the person's**
 27 **eligibility under the program.**

28 SECTION 17. IC 12-16-5.5-3, AS ADDED BY P.L.120-2002,
 29 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 30 JULY 1, 2003]: Sec. 3. (a) **Subject to subsection (b)**, if the division ~~or~~
 31 ~~county office~~ is unable after prompt and diligent efforts to verify
 32 information contained in the application that is reasonably necessary
 33 to determine eligibility, the division ~~or county office~~ may deny
 34 assistance under the hospital care for the indigent program.

35 **(b) Before denying assistance under the hospital care for the**
 36 **indigent program, the division must provide the person and the**
 37 **hospital written notice of:**

38 **(1) the specific information or verification needed to**
 39 **determine eligibility; and**

40 **(2) the date on which the application will be denied if the**
 41 **information or verification is not provided within ten (10)**
 42 **days after the date of the notice.**



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1 SECTION 18. IC 12-16-5.5-4, AS ADDED BY P.L.120-2002,
2 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2003]: Sec. 4. The division ~~or county office~~ shall notify in
4 writing the **patient person** and the hospital of the following:

- 5 (1) A decision concerning eligibility.
- 6 (2) The reasons for a denial of eligibility.
- 7 (3) That either party has the right to appeal the decision.

8 SECTION 19. IC 12-16-6.5-1, AS ADDED BY P.L.120-2002,
9 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
10 JULY 1, 2003]: Sec. 1. If the division ~~or county office~~ determines that
11 a **patient person** is not eligible for payment of medical ~~or care~~, hospital
12 care, **or transportation services**, an affected person, **physician,**
13 **hospital, or transportation provider** may appeal to the division not
14 later than ninety (90) days after the mailing of notice of that
15 determination to the affected person, **physician, hospital, or**
16 **transportation provider** at the ~~person's~~ last known address **of the**
17 **person, physician, hospital, or transportation provider.**

18 SECTION 20. IC 12-16-6.5-2, AS ADDED BY P.L.120-2002,
19 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
20 JULY 1, 2003]: Sec. 2. If the division: ~~or county office~~:

- 21 (1) fails to complete an investigation and determination of
- 22 eligibility under the hospital care for the indigent program not
- 23 more than forty-five (45) days after the receipt of the application
- 24 filed under IC 12-16-4.5; or
- 25 (2) fails or refuses to accept responsibility for payment of medical
- 26 or hospital care under the hospital care for the indigent program;
- 27 a person, **physician, hospital, or transportation provider** affected
- 28 may appeal to the division not more than ninety (90) days after the
- 29 receipt of the application filed under IC 12-16-4.5.

30 SECTION 21. IC 12-16-6.5-4, AS ADDED BY P.L.120-2002,
31 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
32 JULY 1, 2003]: Sec. 4. A notice of the hearing shall be served upon all
33 persons interested in the matter, **including any affected physician,**
34 **hospital, or transportation provider**, at least twenty (20) days before
35 the time fixed for the hearing.

36 SECTION 22. IC 12-16-6.5-5, AS ADDED BY P.L.120-2002,
37 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
38 JULY 1, 2003]: Sec. 5. (a) The division shall determine the eligibility
39 of the person for payment of the cost of medical or hospital care under
40 the hospital care for the indigent program.

41 (b) If the person is found eligible, the division shall pay the
42 reasonable cost of the care **covered under IC 12-16-3.5-1 or**

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1 **IC 12-16-3.5-2** to the persons physicians furnishing the care, covered
 2 **medical care and the transportation providers furnishing the**
 3 **covered transportation services**, subject to the limitations in
 4 IC 12-16-7.5.

5 **(c) If the person is found eligible, the payment for the hospital**
 6 **services and items covered under IC 12-16-3.5-1 or IC 12-16-3.5-2**
 7 **shall be calculated using the office's applicable Medicaid**
 8 **fee-for-service reimbursement principles.**

9 SECTION 23. IC 12-16-7.5-1, AS ADDED BY P.L.120-2002,
 10 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 11 JULY 1, 2003]: Sec. 1. The division shall pay the following, subject to
 12 the limitations in section ~~4~~ 5 of this chapter:

13 (1) The ~~necessary costs~~ **reasonable cost** of medical ~~or hospital~~
 14 ~~care for indigent patients:~~ **covered under IC 12-16-3.5-1 or**
 15 **IC 12-16-3.5-2.**

16 (2) The **reasonable** cost of transportation to the place of treatment
 17 arising out of the medical care.

18 SECTION 24. IC 12-16-7.5-2.5 IS ADDED TO THE INDIANA
 19 CODE AS A NEW SECTION TO READ AS FOLLOWS
 20 [EFFECTIVE JULY 1, 2003]: Sec. 2.5. (a) **Payable claims shall be**
 21 **segregated by state fiscal year.**

22 **(b) For purposes of this chapter, IC 12-15-15-9, IC 12-15-15-9.5,**
 23 **and IC 12-16-14:**

24 (1) a "payable claim" is a claim for payment for physician
 25 care, hospital care, or transportation services under this
 26 chapter:

27 (A) that includes, on forms prescribed by the division, all
 28 the information required for timely payment;

29 (B) that is for a period during which the person is
 30 determined to be financially and medically eligible for the
 31 hospital care for the indigent program; and

32 (C) for which the payment amounts for the care and
 33 services are determined by the division; and

34 (2) a physician, hospital, or transportation provider that
 35 submits a payable claim to the division is considered to have
 36 submitted the payable claim during the state fiscal year
 37 during which the division determined, initially or upon
 38 appeal, the amount to pay for the care and services
 39 comprising the payable claim.

40 **(c) The division shall promptly determine the amount to pay for**
 41 **the care and services comprising a payable claim.**

42 SECTION 25. IC 12-16-7.5-3, AS ADDED BY P.L.120-2002,

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1 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JULY 1, 2003]: Sec. 3. (a) A payment made to a **hospital physician or**
3 **a transportation provider** under the **hospital care for the indigent**
4 **program this chapter** must be on a warrant drawn on the state hospital
5 care for the indigent fund established by IC 12-16-14.

6 (b) **A payment made to a hospital under this chapter shall be**
7 **made under IC 12-15-15-9 and IC 12-15-15-9.5.**

8 SECTION 26. IC 12-16-7.5-4.5 IS ADDED TO THE INDIANA
9 CODE AS A NEW SECTION TO READ AS FOLLOWS
10 [EFFECTIVE JULY 1, 2003]: Sec. 4.5. (a) **Not later than October 31**
11 **following the end of each state fiscal year, the division shall:**

12 (1) **calculate for each county the total amount of payable**
13 **claims submitted to the division during the state fiscal year**
14 **attributed to:**

- 15 (A) **patients who were residents of the county; and**
- 16 (B) **patients:**
 - 17 (i) **who were not residents of Indiana;**
 - 18 (ii) **whose state of residence could not be determined by**
 - 19 **the division; and**
 - 20 (iii) **whose county of residence in Indiana could not be**
 - 21 **determined by the division;**

22 **and whose medical condition that necessitated the care or**
23 **service occurred in the county;**

24 (2) **notify each county of the amount of payable claims**
25 **attributed to the county under the calculation made under**
26 **subdivision (1); and**

27 (3) **with respect to payable claims attributed to a county**
28 **under subdivision (1):**

29 (A) **calculate the total amount of payable claims submitted**
30 **during the state fiscal year for:**

- 31 (i) **each hospital;**
- 32 (ii) **each physician; and**
- 33 (iii) **each transportation provider; and**

34 (B) **determine the amount of each payable claim for each**
35 **person or entity listed in clause (A).**

36 (b) **Before November 1 following the end of a state fiscal year,**
37 **the division shall allocate the funds transferred from a county's**
38 **hospital care for the indigent fund to the state hospital care for the**
39 **indigent fund under IC 12-16-14 during the state fiscal year as**
40 **required under the following STEPS:**

41 **STEP ONE: Determine the total amount of funds transferred**
42 **from a county's hospital care for the indigent fund by the**

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1 county to the state hospital care for the indigent fund under
 2 IC 12-16-14 during the state fiscal year.
 3 **STEP TWO: Of the total amount of payable claims submitted**
 4 **to the division during the state fiscal year attributed to the**
 5 **county under subsection (a), determine the amount of total**
 6 **hospital payable claims, total physician payable claims, and**
 7 **total transportation provider payable claims. Of the amounts**
 8 **determined for physicians and transportation providers,**
 9 **calculate the sum of those amounts as a percentage of the total**
 10 **payable physician claims and total payable transportation**
 11 **provider claims attributed to all the counties submitted to the**
 12 **division during the state fiscal year.**
 13 **STEP THREE: Multiply three million dollars (\$3,000,000) by**
 14 **the percentage calculated under STEP TWO.**
 15 **STEP FOUR: Transfer to the Medicaid indigent care trust**
 16 **fund for purposes of IC 12-15-20-2(8)(D) an amount equal to**
 17 **the amount calculated under STEP ONE, minus an amount**
 18 **equal to the amount calculated under STEP THREE.**
 19 **STEP FIVE: The division shall retain an amount equal to the**
 20 **amount remaining in the state hospital care for the indigent**
 21 **fund after the transfer in STEP FOUR for purposes of making**
 22 **payments under section 5 of this chapter.**

23 **(c) The costs of administering the hospital care for the indigent**
 24 **program, including the processing of claims, shall be paid from the**
 25 **funds transferred to the state hospital care for the indigent fund.**

26 SECTION 27. IC 12-16-7.5-5, AS ADDED BY P.L.120-2002,
 27 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 JULY 1, 2003]: Sec. 5. Before **December 15 following** the end of each
 29 state fiscal year, the division shall, ~~to the extent there is money in the~~
 30 ~~state hospital care for the indigent fund; from the amounts combined~~
 31 ~~from the counties' hospital care for the indigent funds and retained~~
 32 ~~under section 4.5(b) STEP FIVE of this chapter,~~ pay each **physician**
 33 **and emergency transportation** provider ~~under the hospital care for~~
 34 ~~the indigent program~~ a pro rata part of the ~~one-third (1/3) balance on~~
 35 ~~each approved claim for patients admitted during the preceding year:~~
 36 **that amount.**

37 SECTION 28. IC 12-16-7.5-7, AS ADDED BY P.L.120-2002,
 38 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 39 JULY 1, 2003]: Sec. 7. The division ~~and a county office~~ **is not**
 40 **responsible** under the hospital care for the indigent program for the
 41 **payment of any part of the costs of providing care in a hospital to an**
 42 **individual who is not either of the following:**

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1 (1) A citizen of the United States.

2 (2) A lawfully admitted alien.

3 SECTION 29. IC 12-16-7.5-8, AS ADDED BY P.L.120-2002,
4 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JULY 1, 2003]: Sec. 8. The division ~~and a county office are~~ is not
6 liable for any part of the cost of care provided to an individual who has
7 been determined to be a patient described in the rules adopted under
8 IC 12-16-10.5.

9 SECTION 30. IC 12-16-9.5-1, AS ADDED BY P.L.120-2002,
10 SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
11 JULY 1, 2003]: Sec. 1. **Notwithstanding any other provision of this**
12 **article**, the rate of payment for the services and materials provided by
13 ~~hospitals and~~ physicians **and transportation providers** under the
14 hospital care for the indigent program is the same rate as payment for
15 the same type of services and materials under the rules adopted by the
16 ~~secretary under office for the fee-for-service~~ Medicaid program.

17 SECTION 31. IC 12-16-12.5-3, AS ADDED BY P.L.120-2002,
18 SECTION 28, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
19 JULY 1, 2003]: Sec. 3. The hospital providing care shall, **subject to**
20 **the requirements of the federal Emergency Medical Treatment and**
21 **Active Labor Act (42 U.S.C. 1395dd)**, transfer the patient to a
22 hospital operated by the health and hospital corporation as soon as the
23 attending physician determines that the patient's medical condition
24 permits the transfer without injury to the patient.

25 SECTION 32. IC 12-16-14-3, AS AMENDED BY P.L.120-2002,
26 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
27 JULY 1, 2003]: Sec. 3. (a) ~~Except as provided in sections 3-4 and 3-7~~
28 ~~of this chapter~~, **For purposes of this section, "patients" refers to:**

- 29 (1) **patients who were residents of the county; and**
- 30 (2) **patients:**
 - 31 (A) **who were not residents of Indiana;**
 - 32 (B) **whose state of residence could not be determined by the**
 - 33 **division; and**
 - 34 (C) **whose county of residence in Indiana could not be**
 - 35 **determined by the division;**
 - 36 **and whose medical condition that necessitated the care or**
 - 37 **service occurred in the county.**

38 (b) **For taxes first due and payable in 2003, each county shall**
39 **impose a hospital care for the indigent property tax levy equal to**
40 **the product of:**

- 41 (1) **the county's hospital care for the indigent property tax**
- 42 **levy for taxes first due and payable in 2002; multiplied by**

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(2) the county's assessed value growth quotient determined under IC 6-1.1-18.5-2 for taxes first due and payable in 2003.

(c) For taxes first due and payable in 2004, 2005, and 2006, each county shall impose a hospital care for the indigent property tax levy equal to the product of:

- (1) the county's hospital care for the indigent property tax levy for taxes first due and payable in the preceding year; multiplied by
- (2) the assessed value growth quotient determined in the last STEP of the following STEPS:

STEP ONE: Determine the three (3) calendar years that most immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first become effective.

STEP TWO: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth) of the county's total assessed value of all taxable property in the particular calendar year, divided by the county's total assessed value of all taxable property in the calendar year immediately preceding the particular calendar year.

STEP THREE: Divide the sum of the three (3) quotients computed in STEP TWO by three (3).

(d) Except as provided in subsection (e):

- (1) for taxes first due and payable in 2007, each county shall impose a hospital care for the indigent property tax levy equal to the product of: (1) for the initial annual levy under this chapter after July 1, 2004: (A) a levy equal to ninety percent (90%) of the hospital care for the indigent property tax levy for taxes first due and payable in calendar year 2004; multiplied by (B) the statewide average assessed value growth quotient; using all the county assessed value growth quotients determined under IC 6-1.1-18.5-2 for the year in which the tax levy under this subdivision will be first due and payable; the average annual amount of payable claims attributed to the county under IC 12-16-7.5-4.5 during the state fiscal years beginning:
 - (A) July 1, 2003;
 - (B) July 1, 2004; and
 - (C) July 1, 2005; and
- (2) for all subsequent annual levies under this section, (A) a levy equal to the hospital care for the indigent program property tax levy for taxes first due and payable in the preceding calendar

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year; multiplied by (B) the statewide average assessed value growth quotient; using all the county assessed value growth quotients determined under IC 6-1.1-18.5-2 for the year in which the tax levy under this subdivision will be first due and payable: **the average annual amount of payable claims attributed to the county under IC 12-16-7.5-4.5 during the three (3) most recently completed state fiscal years.**

(e) A county may not impose an annual levy under subsection (d) in an amount greater than the product of:

(1) The greater of:

(A) the county's hospital care for the indigent property tax levy for taxes first due and payable in 2006; or

(B) the amount of the county's maximum hospital care for the indigent property tax levy determined under this subsection for taxes first due and payable in the immediately preceding year; multiplied by

(2) the assessed value growth quotient determined in the last STEP of the following STEPS:

STEP ONE: Determine the three (3) calendar years that most immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first become effective.

STEP TWO: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth) of the county's total assessed value of all taxable property in the particular calendar year, divided by the county's total assessed value of all taxable property in the calendar year immediately preceding the particular calendar year.

STEP THREE: Divide the sum of the three (3) quotients computed in STEP TWO by three (3).

SECTION 33. IC 16-18-2-168, AS AMENDED BY P.L.44-2002, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 168. (a) "Health records", for purposes of IC 16-39, means written, electronic, or printed information possessed **or maintained** by a provider concerning any diagnosis, treatment, or prognosis of the patient, **including such information possessed or maintained on microfiche, microfilm, or in a digital format.** The term includes mental health records and alcohol and drug abuse records.

(b) For purposes of IC 16-39-5-3(e), the term includes information that describes services provided to a patient and a provider's charges

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for services provided to a patient.

(c) The term does not include information concerning emergency ambulance services described in IC 16-31-2-11(d).

SECTION 34. IC 16-22-8-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 14. A member of the governing board is entitled to receive ~~six hundred dollars (\$600)~~ **one thousand two hundred dollars (\$1,200)** each year and the member who is chairman of the board is entitled to receive an additional ~~three hundred dollars (\$300)~~ **six hundred dollars (\$600)** each year. These payments shall be made quarterly from funds appropriated for that purpose in the regular budget of the corporation.

SECTION 35. IC 16-22-8-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 15. (a) The governing board shall by rule provide for regular meetings to be held at a designated interval throughout the year.

(b) The chairman or a majority of the members of the board may call a special meeting. The board shall by rule establish a procedure for calling special meetings. The board shall publish notice of a special meeting one (1) time, not less than twenty-four (24) hours before the time of the meeting, in two (2) ~~daily~~ newspapers of general circulation in the county in which the corporation is established.

(c) Regular and special meetings are open to the public.

SECTION 36. IC 16-22-8-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 16. (a) The governing board shall hold the annual meeting the second Monday in January of each year. At the meeting, the board shall select from among the members a chairman **and vice chairman** and shall make the appointments of personnel provided under this chapter.

(b) A vacancy occurs if the chairman or vice chairman of the board dies, resigns, changes residence from the county, or is impeached. If the office of chairman or vice chairman becomes vacant, the board shall select from among the members a successor chairman or vice chairman at the next meeting of the board.

SECTION 37. IC 16-22-8-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 21. (a) Not more than seven (7) days after the introduction of a proposed draft of an ordinance nor less than seven (7) days before the final passage of a proposed draft of an ordinance, the board shall publish a notice that the proposed ordinance is pending final action by the board. The notice shall be published one (1) time in two (2) ~~daily~~ newspapers that have a general circulation in the jurisdiction of the corporation. Notice of an ordinance establishing a budget shall be in accordance with the general

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1 law relating to budgets of first class cities.
 2 (b) The notice must state the following:
 3 (1) The subject of the proposed ordinance.
 4 (2) The time and place of the hearing.
 5 (3) That the proposed draft of an ordinance is available for public
 6 inspection at the office of the board.
 7 (c) The board may include in one (1) notice a reference to the
 8 subject matter of each draft of a pending ordinance for which notice
 9 has not been given.
 10 (d) An ordinance is not invalid because the reference to the subject
 11 matter of the draft of an ordinance was inadequate if the reference is
 12 sufficient to advise the public of the general subject matter.
 13 SECTION 38. IC 16-22-8-27 IS AMENDED TO READ AS
 14 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 27. (a) The governing
 15 board shall appoint an executive director of the board who is qualified
 16 by education and experience to serve for a term of four (4) years unless
 17 sooner removed. The executive director is eligible for reappointment.
 18 **The executive director must be a resident of the county.**
 19 (b) In addition to the duties as executive director of the board, the
 20 executive director acts as secretary of the board.
 21 SECTION 39. IC 16-22-8-46 IS AMENDED TO READ AS
 22 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 46. The board shall
 23 appoint a treasurer of the corporation to serve for a term of four (4)
 24 years unless sooner removed for cause. The treasurer shall give bond
 25 in the amount and with the conditions prescribed by the board and with
 26 surety approved by the board. All money payable to the corporation
 27 shall be paid to the treasurer and the treasurer shall deposit the money
 28 in accordance with Indiana law relating to the deposit of public funds
 29 by municipal corporations. However, if trust funds are received or
 30 managed under a trust indenture, the terms and conditions of the trust
 31 indenture shall be followed. **The treasurer must be a resident of the**
 32 **county.**
 33 SECTION 40. IC 34-6-2-60 IS AMENDED TO READ AS
 34 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 60. "Hospital medical
 35 record", for purposes of IC 34-43-1, means the hospital's clinical record
 36 maintained on each hospital patient **as provided in IC 16-18-2-168.**
 37 SECTION 41. THE FOLLOWING ARE REPEALED [EFFECTIVE
 38 JULY 1, 2003]: IC 12-16-2.5-6; IC 12-16-3.5-5; IC 12-16-4.5-9;
 39 IC 12-16-5.5-5; IC 12-16-6.5-8; IC 12-16-7.5-2; IC 12-16-7.5-4;
 40 IC 12-16-7.5-6; IC 12-16-7.5-11; IC 12-16-7.5-13; IC 12-16-8.5-6;
 41 IC 12-16-9.5-2; IC 12-16-10.5-6; IC 12-16-11.5-3; IC 12-16-12.5-6;
 42 IC 12-16-13.5-3; IC 12-16-14-3.4; IC 12-16-14-3.7; IC 12-16-14.1;

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1 IC 12-16-15.5-7; IC 12-16-16.5-4; IC 12-16.1; IC 12-17.7; IC 12-17.8.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1813, 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:

Page 3, line 10, after "a" insert "**payable**".

Page 3, line 10, delete "considered to be" and insert "**attributed to a county if the payable claim is submitted to the division by a hospital licensed under IC 16-21-2 for payment under IC 12-16-7.5 for care provided by the hospital to an individual who qualifies for the hospital care for the indigent program under IC 12-16-3.5-1 or IC 12-16-3.5-2 and:**

(1) who is a resident of the county;

(2) who is not a resident of the county and for whom the onset of the medical condition that necessitated the care occurred in the county; or

(3) whose residence cannot be determined by the division and for whom the onset of the medical condition that necessitated the care occurred in the county."

Page 3, delete lines 11 through 23.

Page 3, line 26, delete "had one (1)" and insert "**submits to the division during the state fiscal year a payable claim under IC 12-16-7.5**".

Page 3, delete lines 27 through 28.

Page 3, line 29, delete "state fiscal year".

Page 5, line 3, after "(b)" insert "**an amount equal to**".

Page 5, line 3, after "amount" and insert ",".

Page 5, line 5, after "IC 12-16-7.5-4.5" insert ",".

Page 5, line 8, delete "had" and insert "**submitted to the division**".

Page 5, line 8, after "more" insert "**payable**".

Page 5, line 8, delete "approved" and insert "**under IC 12-16-7.5**".

Page 5, delete line 9.

Page 5, line 10, delete "admissions that occurred".

Page 5, line 12, delete "attributable." and insert "**attributed.**".

Page 5, line 15, delete "with" and insert "**that submitted to the division**".

Page 5, line 15, delete "approved" and insert "**payable**".

Page 5, line 15, after "claims" insert "**under IC 12-16-7.5 attributed to the county during the state fiscal year ; and**".

Page 5, delete lines 16 through 17.

Page 5, line 18, delete "each hospital's approved" and insert "**all**

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hospital payable".

Page 5, line 18, after "claims" insert "**submitted to the division under IC 12-16-7.5 attributed to the county during the state fiscal year.**".

Page 5, delete lines 19 through 20.

Page 5, line 23, delete "IC 12-16-7.5-4.5(c)" and insert "**IC 12-16-7.5-4.5(b).**".

Page 5, delete line 24.

Page 5, line 29, delete "IC 12-16-7.5-4.5(c) STEP FOUR." and insert "**IC 12-16-7.5-4.5(b).**".

Page 5, line 30, delete "approved" and insert "**payable claims submitted to the division under IC 12-16-7.5 attributed to the county during the state fiscal year,**".

Page 5, delete line 31.

Page 5, line 32, delete "occurred during the state fiscal year,".

Page 5, line 33, delete "approved".

Page 5, line 33, after "hospital" insert "**payable**".

Page 5, line 33, after "claims" insert "**submitted to the division under IC 12-16-7.5 attributed to the county during the state fiscal year.**".

Page 5, delete lines 34 through 35.

Page 5, line 40, delete "IC 12-16-7.5-4.5(c) STEP" and insert "**IC 12-16-7.5-4.5(b).**".

Page 5, delete line 41.

Page 6, line 4, after "payment." insert "**The amount of a hospital's add-on payment is subject to the availability of funding for the non-federal share of the payment under subsection (e).**".

Page 6, delete lines 7 through 19, begin a new paragraph and insert:

"(e) The non-federal share of a payment to a hospital under subsection (c) is funded from the funds transferred to the Medicaid indigent care trust fund under IC 12-16-7.5-4.5(b) by each county to which a payable claim under IC 12-16-7.5 submitted to the division during the state fiscal year by the hospital is attributed.

(f) The amount of a county's transferred funds available to be used to fund the non-federal share of a payment to a hospital under subsection (c) is an amount that bears the same proportion to the total amount of funds the county transferred to the Medicaid indigent care trust fund under IC 12-16-7.5-4.5(b) that the total amount of the hospital's payable claims under IC 12-16-7.5 attributed to the county submitted to the division during the state fiscal year bears to the total amount of all hospital payable claims under IC 12-16-7.5 attributed to the county submitted to the

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division during the state fiscal.

(g) Any county's funds identified in subsection (f) that remain after the non-federal share of a hospital's payment has been funded are available to serve as the non-federal share of a payment to a hospital under section 9.5 of this chapter.

(h) For purposes of this section, "payable claim" has the meaning set forth in IC 12-16-7.5-2.5(b).

(i) For purposes of this section:

(1) the amount of a payable claim is the amount the hospital would have received under the state's fee-for-service Medicaid reimbursement principles for the hospital care for which the payable claim is submitted under IC 12-16-7.5 if the individual receiving the hospital care had been a Medicaid enrollee; and

(2) a payable claim under IC 12-16-7.5 submitted by a hospital includes a payable claim under IC 12-16-7.5 for the hospital's care submitted by an individual or entity other than the hospital, to the extent permitted under the hospital care for the indigent program."

Page 6, line 23, delete "considered to be attributable" and insert "attributed".

Page 6, after "the" insert "payable claim is submitted to the division by a hospital licensed under IC 16-21-2 for payment under IC 12-16-7.5 for care provided by the hospital to an individual who qualifies for the hospital care for the indigent program under IC 12-16-3.5-1 or IC 12-16-3.5-2 and;

(1) who is a resident of the county;

(2) who is not a resident of the county and for whom the onset of the medical condition that necessitated the care occurred in the county; or

(3) whose residence cannot be determined by the division and for whom the onset of the medical condition that necessitated the care occurred in the county."

Page 6, delete lines 24 through 36.

Page 6, delete lines 39 through 41, begin a new line block indented and insert:

"(1) that submits to the division during the state fiscal year a payable claim under IC 12-16-7.5; and".

Page 7, line 1, delete "approved claims for" and insert "payable claims under IC 12-16-7.5 submitted by the hospital to the division during the state fiscal year;"

Page 7, delete line 2.

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- Page 7, line 5, after "(b)" insert **"an amount equal to"**.
- Page 7, line 5, after "amount" insert ",".
- Page 7, line 7, after "IC 12-16-7.5-4.5" insert ",".
- Page 7, line 11, delete "IC 12-16-7.5-4.5(c) STEP FOUR" and insert **"IC 12-16-7.5-4.5(b)"**.
- Page 7, line 12, delete "amount of the".
- Page 7, line 12, after "hospital" insert **"payable"**.
- Page 7, line 12, after "claims" insert **"attributed to the county and submitted to the division during the state fiscal year."**.
- Page 7, delete lines 13 through 14.
- Page 7, line 18, delete "IC 12-16-7.5-4.5(c) STEP FOUR" and insert **"IC 12-16-7.5-4.5(b)"**.
- Page 7, line 19, after "hospital" insert **"payable"**.
- Page 7, line 19, after "claims" insert **"attributed to the county and submitted to the division during the state fiscal year."**.
- Page 7, delete lines 20 through 21.
- Page 7, line 22, delete "Determine" and insert **"Calculate"**.
- Page 7, line 23, delete "each county" and insert **"the counties"**.
- Page 7, line 26, delete "approved" and insert **"payable"**.
- Page 7, line 26, delete "for hospital admissions that" and insert **"under IC 12-16-7.5 submitted by the hospital to the division during the state fiscal year."**.
- Page 7, delete line 27.
- Page 7, line 31, delete "approved".
- Page 7, line 31, delete "for hospital admissions that" and insert **"under IC 12-16-7.5 submitted by the hospital to the division during the state fiscal year."**.
- Page 7, delete line 32.
- Page 7, line 33, delete "Determine" and insert **"Calculate"**.
- Page 7, line 34, delete "each hospital" and insert **"the hospitals"**.
- Page 7, line 37, delete "THREE" and insert **"SIX"**.
- Page 7, line 39, delete "total amount" and insert **"sum"**.
- Page 7, line 40, delete "for all hospitals".
- Page 8, line 1, delete "FIVE" and insert **"SEVEN"**.
- Page 8, line 1, delete "amount" and insert **"sum"**.
- Page 8, line 3, after "payment." insert **"The amount of the hospital's add-on payment is subject to the availability of funding for the non-federal share of the payment under subsection (e)."**.
- Page 8, delete lines 8 through 18, begin a new line blocked left and insert **"indigent care trust fund under IC 12-16-7.5-4.5(b) and not expended under section 9(e) of this chapter. To the extent possible, the funds shall be derived on a proportional basis from the funds**

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transferred by each county identified in subsection (c), STEP ONE:

(1) to which at least one (1) payable claim submitted by the hospital to the division during the state fiscal year is attributed; and

(2) whose funds transferred to the Medicaid indigent care trust fund under IC 12-16-7.5-4.5(c) were not completely expended under section 9(e) of this chapter.

The amount to be derived from the remaining funds transferred to the Medicaid indigent care trust fund under IC 12-16-7.5-4.5(c) is an amount that bears the same proportion to the total amount of funds transferred by all the counties identified in subsection (c), STEP ONE, that the amount calculated for the hospital under subsection (c), STEP FIVE, bears to the amount calculated under subsection (c), STEP SIX."

Page 8, between lines 31 and 32, begin a new paragraph and insert:

"(h) Any funds transferred to the Medicaid indigent care trust fund under IC 12-16-7.5-4.5(b) remaining after payments are made under this section shall be used as provided in IC 12-15-20-2(8)."

Page 9, line 5, after "(7)" insert **"Payments, funding, and transfers as otherwise provided in clauses (8)(D) and (8)(F).**

(8)".

Page 9, line 42, after "transfers" insert **", which shall include amounts transferred under IC 12-16-7.5-4.5(b), STEP FOUR,"**

Page 10, line 9, delete "IC 12-16-7.5-4.5(c) STEP FOUR" and insert **"IC 12-16-7.5-4.5(b)".**

Page 10, line 18, after "IC 12-15-15-9.5," insert **"the amount to be transferred under clause (E),"**

Page 10, line 18, delete "the nonfederal share" and insert **", subject to clause (F), the non-federal share of Medicaid add-on payments to hospitals licensed under IC 16-21 under a payment methodology, which shall be developed by the office."**

Page 10, line 19, delete "of payments under".

Page 10, line 19, strike "the state uninsured parents program".

Page 10, line 21, strike "established under".

Page 10, strike line 22.

Page 10, line 23, strike "If the office does not implement an uninsured parents".

Page 10, strike lines 24 through 30.

Page 10, line 30, after "office." insert **"As provided in clause (D), for each fiscal year ending after June 30, 2003, an amount equal to the amount calculated under STEP THREE of the following formula shall be transferred to the office:**

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STEP ONE: Calculate the product of thirty-five million dollars (\$35,000,000) multiplied by the federal medical assistance percentage for federal fiscal year 2003.

STEP TWO: Calculate the sum of the amounts, if any, reasonably estimated by the office to be transferred or otherwise made available to the office for the state fiscal year, and the amounts, if any, actually transferred or otherwise made available to the office for the state fiscal year, under arrangements whereby the office and a hospital licensed under IC 16-21-2 agree that an amount transferred or otherwise made available to the office by the hospital or on behalf of the hospital shall be included in the calculation under this STEP.

STEP THREE: Calculate the amount by which the product calculated under STEP ONE exceeds the sum calculated under STEP TWO.

(F) If the office determines that, on an ongoing basis, the amount of intergovernmental transfers remaining after:

- (i) funding the non-federal share of payments to hospitals under IC 12-15-15-9;
- (ii) funding the non-federal share of payments to hospitals under IC 12-15-15-9.5; and
- (iii) transferring the amounts under clause (E);

will be sufficient to fund the non-federal share of payments under the uninsured parents program established under IC 12-17.7, the office shall, beginning in the state fiscal year immediately following the state fiscal year in which the office's determination is made under this clause, discontinue using the remaining intergovernmental transfers to fund the add-on payments provided for in clause (D) (except for payments under IC 12-15-15-9 and IC 12-15-15-9.5) and shall use the remaining intergovernmental transfers to fund the uninsured parents program established under IC 12-17.7. The remaining intergovernmental transfers shall be transferred to the state uninsured parents fund established under IC 12-17.8-2-1.5. This clause does not apply until, as determined by the office, all the other requirements for implementing the uninsured parents program, including the approval of all necessary federal waivers, have been satisfied. The operation and effect of this clause terminate upon the termination of the uninsured parents program

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established under IC 12-17.7."

Page 10, line 31, strike "(F)" and insert "(G)".

Page 10, line 39, delete "emergency".

Page 11, line 3, strike "costs incurred in providing care to" and insert **"care provided to"**.

Page 11, line 4, delete "patient" and insert **"person"**.

Page 11, delete lines 7 through 21, begin a new line blocked left and insert:

"division shall determine whether the person is a resident of Indiana and, if so, the person's county of residence. If the person is a resident of Indiana, the division shall provide a copy of the application to the county office of the person's county of residence. If the person is not a resident of Indiana, the division shall provide a copy of the application to the county office of the county where the onset of the medical condition that necessitated the care occurred. If the division cannot determine whether the person is a resident of Indiana or, if the person is a resident of Indiana, the person's county of residence, the division shall provide a copy of the application to the county office of the county where the onset of the medical condition that necessitated the care occurred.

(c) A county office that receives a request from the division shall cooperate with the division in determining whether a person is a resident of Indiana and, if the person is a resident of Indiana, the person's county of residence."

Page 11, line 26, before "has" strike "patient" and insert **"person"**.

Page 11, line 26, after "to" insert **", or otherwise provided care by,"**.

Page 11, line 26, before "is" strike "patient" and insert **"person"**.

Page 11, between lines 27 and 28, begin a new paragraph and insert:

"SECTION 10. IC 12-16-4.5-8, AS ADDED BY P.L.120-2002, SECTION 20, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 8. (a) A ~~patient~~ **person may file an application directly with the ~~county office in the county where the hospital providing care is located~~ **division** if the application is filed not more than thirty (30) days after the ~~patient's admission~~ **person was admitted to, or provided care by,** the hospital.**

(b) Reimbursement for the costs incurred in providing care to an eligible person may only be made to the providers of the care."

Page 11, line 31, after "application of" insert **"or for"**.

Page 11, line 31, strike "patient" and insert **"person who was"**.

Page 11, line 31, after "to" insert **", or who was otherwise provided care by,"**.

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Page 11, line 32, strike "patient's" and insert "**person's**".

Page 11, line 34, delete "patient" and insert "**person**".

Page 11, line 35, delete "patient became in need of medical" and insert "**onset of the medical condition that necessitated the care occurred**".

Page 11, line 36, delete "care".

Page 11, line 36, delete "patient's" and insert "**person's**".

Page 11, line 36, after "or" insert "**Indiana**".

Page 11, line 38, delete "patient's" and insert "**person's**".

Page 11, line 42, after "3." insert "**(a) Subject to subsection (b),**".

Page 11, line 42, delete "If" and insert "if".

Page 12, between lines 4 and 5, begin a new paragraph and insert:
"(b) Before denying assistance under the hospital care for the indigent program, the division must provide the person and the hospital written notice of:

(1) the specific information or verification needed to determine eligibility; and

(2) the date on which the application will be denied if the information or verification is not provided within ten (10) days after the date of the notice."

Page 12, line 8, strike "patient" and insert "**person**".

Page 12, line 15, strike "patient" and insert "**person**".

Page 12, line 15, strike "or" and insert "**care,**".

Page 12, line 15, after "care," insert "**or transportation services,**".

Page 12, line 16, delete "person" and insert "person, **physician, hospital, or transportation provider**".

Page 12, line 18, delete "person" and insert "person, **physician, hospital, or transportation provider**".

Page 12, line 18, strike "person's".

Page 12, line 18, delete "." and insert "**of the person, physician, hospital, or transportation provider.**".

Page 12, line 28, delete "person" and insert "person, **physician, hospital, or transportation provider**".

Page 12, between lines 29 and 30, begin a new paragraph and insert:
 "SECTION 16. IC 12-16-6.5-4, AS ADDED BY P.L.120-2002, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 4. A notice of the hearing shall be served upon all persons interested in the matter, **including any affected physician, hospital, or transportation provider**, at least twenty (20) days before the time fixed for the hearing.

SECTION 17. IC 12-16-6.5-5, AS ADDED BY P.L.120-2002, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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JULY 1, 2003]: Sec. 5. (a) The division shall determine the eligibility of the person for payment of the cost of medical or hospital care under the hospital care for the indigent program.

(b) If the person is found eligible, the division shall pay the reasonable cost of the care **covered under IC 12-16-3.5-1 or IC 12-16-3.5-2** to the ~~persons~~ **physicians** furnishing the ~~care~~; **covered medical care and the transportation providers furnishing the covered transportation services**, subject to the limitations in IC 12-16-7.5.

(c) **If the person is found eligible, the payment for the covered hospital services and items covered under IC 12-16-3.5-1 or IC 12-16-3.5-2 shall be calculated using the office's applicable Medicaid fee-for-service reimbursement principles."**

Page 12, line 34, strike "necessary costs" and insert "**reasonable cost**".

Page 12, line 34, strike "or hospital".

Page 12, line 34, strike "for indigent".

Page 12, line 35, strike "patients." and insert "**covered under IC 12-16-3.5-1 or IC 12-16-3.5-2**".

Page 12, line 36, after "The" insert "**reasonable**".

Page 12, between lines 37 and 38, begin a new line block indented and insert:

"(3) Hospital services and items covered under IC 12-16-3.5-1 or IC 12-16-3.5-2 using Medicaid fee-for-service reimbursement principles."

Page 12, line 40, delete "Except as provided in section" and insert "**(a) Payable claims shall be segregated by state fiscal year.**

(b) For purposes of this chapter, IC 12-15-15-9, IC 12-15-15-9.5, and IC 12-16-14:

(1) a "payable claim" is a claim for payment for physician care, hospital care, or transportation services under this chapter:

(A) that includes, on forms prescribed by the division, all the information required for timely payment;

(B) that is for a period during which the person is determined to be financially and medically eligible for the hospital care for the indigent program; and

(C) for which the payment amounts for the care and services are determined by the division; and

(2) a physician, hospital, or transportation provider that submits a payable claim to the division is considered to have submitted the payable claim during the state fiscal year

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during which the division determined, initially or upon appeal, the amount to pay for the care and services comprising the payable claim.

(c) The division shall promptly determine the amount to pay for the care and services comprising a payable claim.

SECTION 20. IC 12-16-7.5-3, AS ADDED BY P.L.120-2002, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 3. (a) A payment made to a ~~hospital physician or a transportation provider under the hospital care for the indigent program this chapter~~ must be on a warrant drawn on the state hospital care for the indigent fund established by IC 12-16-14.

(b) A payment made to a hospital under this chapter shall be made under IC 12-15-15-9 and IC 12-15-15-9.5."

Page 12, delete lines 41 through 42.

Page 13, delete lines 5 through 9, begin a new line block indented and insert:

"(1) calculate for each county the total amount of payable claims submitted to the division during the state fiscal year attributable to:"

Page 13, line 12, delete "and became in need" and insert ";"

Page 13, delete line 13.

Page 13, line 15, delete "and who became in need of medical care in" and insert **"; and"**.

Page 13, delete line 16.

Page 13, line 18, delete "and who became in need of" and insert ";"

Page 13, delete line 19, begin a new line double block indented and insert:

"and whose medical condition that necessitated the care or service occurred in the county."

Page 13, line 20, after "of" insert **"the amount of payable claims attributed to the county under"**.

Page 13, line 20, delete "for the county".

Page 13, line 22, delete "approved" and insert **"payable"**.

Page 13, line 22, delete "county:" and insert **"county under subdivision (1):"**.

Page 13, line 23, delete "approved" and insert **"payable"**.

Page 13, line 23, delete "for".

Page 13, line 24, delete "hospital admissions that occurred" and insert **"submitted"**.

Page 13, line 28, delete "emergency".

Page 13, line 29, delete "approved" and insert **"payable"**.

Page 13, delete lines 31 through 42.

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Page 14, delete line 1, begin a new paragraph and insert:

"(b) Before November 1 following the end of a state fiscal year, the division shall allocate the funds transferred to the state hospital care for the indigent fund under IC 12-16-14 during the state fiscal year as required under the following STEPS:"

Page 14, line 2, delete "received" and insert **"transferred by the county to the state hospital care for the indigent fund under IC 12-16-14 during the state fiscal year."**

Page 14, delete line 3.

Page 14, line 4, delete "claims approved during" and insert **"payable claims submitted to the division during the state fiscal year attributed"**.

Page 14, line 5, delete "the state fiscal year attributable".

Page 14, line 6, after "hospital" insert **"payable"**.

Page 14, line 7, after "physician" insert **"payable"**.

Page 14, line 7, delete "emergency".

Page 14, line 8, after "provider" insert **"payable"**.

Page 14, line 12, after "hospital" insert **"payable"**.

Page 14, line 14, delete "IC 12-15-20-2." and insert **"IC 12-15-20-2(8)(D)."**

Page 14, line 17, after "physician" insert **"payable"**.

Page 14, line 17, delete "emergency".

Page 14, line 17, after "provider" insert **"payable"**.

Page 14, between lines 19 and 20, begin a new paragraph and insert:

"(c) The costs of administering the hospital care for the indigent program, including the processing of claims, shall be paid from the funds transferred to the state hospital care for the indigent fund."

Page 14, delete lines 30 through 42, begin a new paragraph and insert:

"SECTION 23. IC 12-16-7.5-7, AS ADDED BY P.L.120-2002, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 7. The division ~~and a county office are~~ is not responsible under the hospital care for the indigent program for the payment of any part of the costs of providing care in a hospital to an individual who is not either of the following:

- (1) A citizen of the United States.
- (2) A lawfully admitted alien.

SECTION 24. IC 12-16-7.5-8, AS ADDED BY P.L.120-2002, SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 8. The division ~~and a county office are~~ is not liable for any part of the cost of care provided to an individual who has been determined to be a patient described in the rules adopted under

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IC 12-16-10.5

SECTION 25. IC 12-16-9.5-1, AS ADDED BY P.L.120-2002, SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. **Notwithstanding any other provision of this article**, the rate of payment for the services and materials provided by ~~hospitals and~~ physicians **and transportation providers** under the hospital care for the indigent program is the same rate as payment for the same type of services and materials under the rules adopted by the **secretary under office for the fee-for-service Medicaid program.**"

Delete page 15.

Page 16, delete lines 1 through 39.

Page 17, line 12, delete "and became in need" and insert ";"

Page 17, delete line 13.

Page 17, line 15, delete "and who became in need of medical care in the" and insert "**and**".

Page 17, delete line 16.

Page 17, line 18, delete "and who became in need of" and insert ":"

Page 17, delete line 19, begin a new line block indented and insert:
"and whose medical condition that necessitated the care or service occurred in the county."

Page 17, line 39, after "average" insert "**annual**".

Page 17, line 39, after "of" insert "**payable**".

Page 17, line 40, delete "approved under this article for emergency care" and insert "**attributed to the county under IC 12-16-7.5-4.5**".

Page 17, line 41, delete "provided to patients".

Page 18, line 10, after "average" insert "**annual**".

Page 18, line 10, after "of" insert "**payable**".

Page 18, line 10, delete "approved under this article for" and insert "**attributed to the county under IC 12-16-7.5-4.5**".

Page 18, line 11, delete "emergency care provided to patients".

Page 18, delete lines 39 through 42, begin a new paragraph and insert:

"SECTION 29. IC 12-17.7-1-0.5, AS ADDED BY P.L.120-2002, SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 0.5. This article applies ~~after June 30, 2004~~: **at the beginning of the fiscal year described in IC 12-15-20-2(8)(F).**"

Page 19, delete lines 1 through 11.

Page 20, delete lines 10 through 15, begin a new line and insert:
"terminate upon:

(1) a revocation or nonrenewal of the demonstration waiver approved by the federal Centers for Medicare and Medicaid Services for purposes of implementing this article; or

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(2) a determination by the office that there are not sufficient funds to adequately operate the program.

SECTION 32. IC 12-17.7-9-2, AS ADDED BY P.L.283-2001, SECTION 33, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 2. Upon termination of the uninsured parents program, all funds on deposit in the state uninsured parents program fund ~~including funds transferred to the fund under IC 12-16-14.1-6(2);~~ shall be used to pay expenses and other obligations of the program, as determined by the office. Any remaining funds attributable to taxes levied under IC 12-16-14-1(1) or allocated under IC 12-16-14-1(2) shall be transferred from the fund for use as the state's share of payments under ~~IC 12-15-15-9(h). Any remaining funds attributable to transfers from the Medicaid indigent care trust fund under IC 12-15-20-2(5) shall be transferred from the state uninsured parents program fund for use as the state's share of payments under IC 12-15-20-2(5)(D).~~ **IC 12-15-20-2(8)(G).**

SECTION 33. IC 12-17.8-1-0.5, AS ADDED BY P.L.120-2002, SECTION 43, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 0.5. This article applies ~~after June 30, 2003;~~ **at the beginning of the fiscal year described in IC 12-15-20-2(8)(F).**

SECTION 34. IC 12-17.8-1-1, AS AMENDED BY P.L.120-2002, SECTION 44, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. This chapter applies ~~beginning July 1, 2004;~~ **at the beginning of the fiscal year described in IC 12-15-20-2(8)(F).**

SECTION 35. IC 12-17.8-2-0.5, AS ADDED BY P.L.120-2002, SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 0.5. This chapter applies ~~after June 30, 2004;~~ **at the beginning of the fiscal year described in IC 12-15-20-2(8)(F)."**

Page 20, line 25, delete "IC 12-15-20-2(5)." and insert "**IC 12-15-20-2(8)(F)**".

Page 20, between lines 37 and 38, begin a new paragraph and insert:

"SECTION 38. IC 12-17.8-2-4, AS AMENDED BY P.L.120-2002, SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 4. (a) Subject to subsections **(b) and (c)**, ~~and (d)~~; money in the state uninsured parents program fund at the end of a state fiscal year remains in the fund and does not revert to the state general fund.

(b) For each state fiscal year beginning July 1, 2004, the office of Medicaid policy and planning established by IC 12-8-6-1 shall transfer from the state uninsured parents program fund an amount equal to the amount determined by multiplying thirty-five million dollars (\$35,000,000) by the federal medical assistance percentage for the state

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fiscal year. The transferred amount shall be used for Medicaid current obligations. The transfer may be made in a single payment or multiple payments throughout the state fiscal year.

(e) (b) At the end of a state fiscal year, the office shall do the following:

- (1) Determine the sums on deposit in the state uninsured parents program fund.
- (2) Calculate a reasonable estimate of the sums to be transferred to the state uninsured parents program fund during the next state fiscal year, taking into consideration the timing of the transfers.
- (3) Calculate a reasonable estimate of the expenses to be paid by the program during the next state fiscal year, taking into consideration the likely number of enrollees in the program during the next state fiscal year.

(d) (c) If the amount on deposit in the state uninsured parents program fund at the end of a state fiscal year, combined with the estimated amount of transfers of funds into the fund during the next state fiscal year, exceeds the estimate of the expenses to be paid by the program during the next state fiscal year, then a sum equal to the excess amount:

(1) shall be transferred from the funds on deposit in the state uninsured parents program fund at the end of the state fiscal year to the Medicaid indigent care trust fund; ~~for purposes of IC 12-15-20-2(5)(D); and~~

(2) shall be used to fund Medicaid add-ons payments to hospitals licensed under IC 16-21-2 under a methodology developed by the office.

SECTION 39. IC 16-18-2-168, AS AMENDED BY P.L.44-2002, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 168. (a) "Health records", for purposes of IC 16-39, means written, electronic, or printed information possessed **or maintained** by a provider concerning any diagnosis, treatment, or prognosis of the patient, **including such information maintained on microfiche, microfilm, or in an electronic or digital format.** The term includes mental health records and alcohol and drug abuse records.

(b) For purposes of IC 16-39-5-3(e), the term includes information that describes services provided to a patient and a provider's charges for services provided to a patient.

(c) The term does not include information concerning emergency ambulance services described in IC 16-31-2-11(d).

SECTION 40. IC 16-22-8-14 IS AMENDED TO READ AS

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FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 14. A member of the governing board is entitled to receive ~~six hundred dollars (\$600)~~ **one thousand two hundred dollars (\$1,200)** each year and the member who is chairman of the board is entitled to receive an additional ~~three hundred dollars (\$300)~~ **six hundred dollars (\$600)** each year. These payments shall be made quarterly from funds appropriated for that purpose in the regular budget of the corporation.

SECTION 41. IC 16-22-8-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 15. (a) The governing board shall by rule provide for regular meetings to be held at a designated interval throughout the year.

(b) The chairman or a majority of the members of the board may call a special meeting. The board shall by rule establish a procedure for calling special meetings. The board shall publish notice of a special meeting one (1) time, not less than twenty-four (24) hours before the time of the meeting, in two (2) ~~daily~~ newspapers of general circulation in the county in which the corporation is established.

(c) Regular and special meetings are open to the public.

SECTION 42. IC 16-22-8-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 16. (a) The governing board shall hold the annual meeting the second Monday in January of each year. At the meeting, the board shall select from among the members a chairman **and vice chairman** and shall make the appointments of personnel provided under this chapter.

(b) A vacancy occurs if the chairman or vice chairman of the board dies, resigns, changes residence from the county, or is impeached. If the office of chairman or vice chairman becomes vacant, the board shall select from among the members a successor chairman or vice chairman at the next meeting of the board.

SECTION 43. IC 16-22-8-21 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 21. (a) Not more than seven (7) days after the introduction of a proposed draft of an ordinance nor less than seven (7) days before the final passage of a proposed draft of an ordinance, the board shall publish a notice that the proposed ordinance is pending final action by the board. The notice shall be published one (1) time in two (2) ~~daily~~ newspapers that have a general circulation in the jurisdiction of the corporation. Notice of an ordinance establishing a budget shall be in accordance with the general law relating to budgets of first class cities.

(b) The notice must state the following:

- (1) The subject of the proposed ordinance.
- (2) The time and place of the hearing.



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(3) That the proposed draft of an ordinance is available for public inspection at the office of the board.

(c) The board may include in one (1) notice a reference to the subject matter of each draft of a pending ordinance for which notice has not been given.

(d) An ordinance is not invalid because the reference to the subject matter of the draft of an ordinance was inadequate if the reference is sufficient to advise the public of the general subject matter.

SECTION 44. IC 16-22-8-27 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 27. (a) The governing board shall appoint an executive director of the board who is qualified by education and experience to serve for a term of four (4) years unless sooner removed. The executive director is eligible for reappointment.

The executive director must be a resident of the county.

(b) In addition to the duties as executive director of the board, the executive director acts as secretary of the board.

SECTION 45. IC 16-22-8-46 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 46. The board shall appoint a treasurer of the corporation to serve for a term of four (4) years unless sooner removed for cause. The treasurer shall give bond in the amount and with the conditions prescribed by the board and with surety approved by the board. All money payable to the corporation shall be paid to the treasurer and the treasurer shall deposit the money in accordance with Indiana law relating to the deposit of public funds by municipal corporations. However, if trust funds are received or managed under a trust indenture, the terms and conditions of the trust indenture shall be followed. **The treasurer must be a resident of the county.**

SECTION 46. IC 34-6-2-60 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 60. "Hospital medical record", for purposes of IC 34-43-1, means the hospital's clinical record maintained on each hospital patient **as provided in IC 16-18-2-168.**"

Page 20, line 40, after "IC 12-16-7.5-4;" insert "IC 12-16-7.5-6; IC 12-16-7.5-11;"

Page 21, line 2, after "IC 12-17.7-9-1;" insert "IC 12-17.8-1-2;"

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1813 as introduced.)

CRAWFORD, Chair

Committee Vote: yeas 25, nays 0.

EH 1813—LS 7696/DI 52+



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COMMITTEE REPORT

Mr. President: The Senate Committee on Health and Provider Services, to which was referred House Bill No. 1813, 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 3, line 7, delete "P.L.120-2002, " and insert "HEA 1167-2003, SECTION 57,"

Page 3, line 8, delete "SECTION 15,".

Page 4, line 3, delete "IC 12-15-15-8" and insert "~~section 8 of this chapter~~".

Page 6, line 18, delete "fiscal." and insert "**fiscal year.**".

Page 10, line 38, delete "IC 12-15-15-9(d)" and insert "~~IC 12-15-15-9(d)~~".

and when so amended that said bill do pass and be reassigned to the Senate Committee on Finance.

(Reference is to HB 1813 as printed February 27, 2003.)

MILLER, Chairperson

Committee Vote: Yeas 8, Nays 0.

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COMMITTEE REPORT

Mr. President: The Senate Committee on Finance, to which was referred House Bill No. 1813, 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 3, between lines 6 and 7, begin a new paragraph and insert:

"SECTION 4. IC 12-15-15-1.1, AS AMENDED BY P.L.1-2003, SECTION 56, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1.1. (a) This section applies to a hospital that is:

- (1) licensed under IC 16-21; and
- (2) established and operated under IC 16-22-2, IC 16-22-8, or IC 16-23.

(b) For a state fiscal year ending after June 30, ~~2000~~, **2003**, in addition to reimbursement received under section 1 of this chapter, a hospital is entitled to reimbursement in an amount calculated as follows:

STEP ONE: The office shall identify the aggregate inpatient hospital services, reimbursable under this article and under the state Medicaid plan, that were provided during the state fiscal year by hospitals established and operated under IC 16-22-2, IC 16-22-8, ~~and or~~ IC 16-23.

STEP TWO: For the aggregate inpatient hospital services identified under STEP ONE, the office shall calculate the aggregate payments made under this article and under the state Medicaid plan to hospitals established and operated under IC 16-22-2, IC 16-22-8, ~~and or~~ IC 16-23, excluding payments under IC 12-15-16, IC 12-15-17, and IC 12-15-19.

STEP THREE: The office shall calculate ~~an amount equal to a percentage of~~ a reasonable estimate of the amount that would have been paid in the aggregate by the office for the inpatient hospital services described in STEP ONE under Medicare payment principles. ~~The office shall apply in this STEP the maximum percentage permitted for the state under federal Medicaid law.~~

STEP FOUR: Subtract the amount calculated under STEP TWO from the amount calculated under STEP THREE.

STEP FIVE: Subject to subsection (g), from the amount calculated under STEP FOUR, allocate to a hospital established and operated under IC 16-22-8 an amount equal to one hundred percent (100%) of the difference between:

- (A) the total cost for the hospital's provision of inpatient services covered under this article for the hospital's fiscal**

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year ending during the state fiscal year; and
(B) the total payment to the hospital for its provision of inpatient services covered under this article for the hospital's fiscal year ending during the state fiscal year, excluding payments under IC 12-15-16, IC 12-15-17, and IC 12-15-19.

STEP SIX: Subtract the amount calculated under STEP FIVE from the amount calculated under STEP FOUR.

~~STEP FIVE:~~ **SEVEN:** Distribute an amount equal to the amount calculated under STEP ~~FOUR~~ **SIX** to the eligible hospitals **established and operated under IC 16-22-2 or IC 16-23** described in subsection (c) in proportion to each hospital's Medicaid shortfall as defined in subsection (f).

(c) Subject to subsection (e), reimbursement for a state fiscal year under this section consists of ~~a single payment~~ **payments** made after the close of each state fiscal year. Payment for a state fiscal year ending after June 30, ~~2001~~, **2003**, shall be made before December 31 following the state fiscal year's end. A hospital is not eligible for a payment described in this subsection unless an intergovernmental transfer is made under subsection (d).

(d) Subject to subsection (e), a hospital may make an intergovernmental transfer under this subsection, or an intergovernmental transfer may be made on behalf of the hospital, after the close of each state fiscal year. An intergovernmental transfer under this subsection must be made to the Medicaid indigent care trust fund in an amount equal to a percentage, as determined by the office, of the amount to be distributed to the hospital under ~~STEP FIVE~~ **SEVEN** of subsection (b). In determining the percentage, the office shall apply the same percentage of not more than eighty-five percent (85%) to all hospitals eligible for reimbursement under ~~STEP FIVE~~ **SEVEN** of subsection (b). The office shall use the intergovernmental transfer to fund payments made under this section and as otherwise provided under ~~IC 12-15-20-2(5)~~. **IC 12-15-20-2(8)**.

(e) A hospital making an intergovernmental transfer under subsection (d) may appeal under IC 4-21.5 the amount determined by the office to be paid the hospital under ~~STEP FIVE~~ **SEVEN** of subsection (b). The periods described in subsections (c) and (d) for the hospital to make an intergovernmental transfer are tolled pending the administrative appeal and any judicial review initiated by the hospital under IC 4-21.5. The distribution to other hospitals under ~~STEP FIVE~~ **SEVEN** of subsection (b) may not be delayed due to an administrative appeal or judicial review instituted by a hospital under this subsection.



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If necessary, the office may make a partial distribution to the other eligible hospitals under ~~STEP FIVE SEVEN~~ of subsection (b) pending the completion of a hospital's administrative appeal or judicial review, at which time the remaining portion of the payments due to the eligible hospitals shall be made. A partial distribution may be based upon estimates and trends calculated by the office.

(f) For purposes of this section:

(1) ~~a hospital's~~ **the Medicaid shortfall of a hospital established and operated under IC 16-22-2 or IC 16-23** is calculated as follows:

STEP ONE: The office shall identify the inpatient hospital services, reimbursable under this article and under the state Medicaid plan, that were provided during the state fiscal year by the hospital.

STEP TWO: For the inpatient hospital services identified under STEP ONE, the office shall calculate the payments made under this article and under the state Medicaid plan to the hospital, excluding payments under IC 12-15-16, IC 12-15-17, and IC 12-15-19.

STEP THREE: The office shall calculate ~~an amount equal to a percentage of~~ a reasonable estimate of the amount that would have been paid by the office for the inpatient hospital services described in STEP ONE under Medicare payment principles; ~~The office shall apply in this STEP the maximum percentage permitted for the state under federal Medicaid law;~~ and

(2) a hospital's Medicaid shortfall is equal to the amount by which the amount calculated in STEP THREE of subdivision (1) is greater than the amount calculated in STEP TWO of subdivision (1).

(g) The actual distribution of the amount calculated under STEP FIVE of subsection (b) to a hospital established and operated under IC 16-22-8 shall be made under the terms and conditions provided for the hospital in the state plan for medical assistance. Payment to a hospital under STEP FIVE of subsection (b) is not a condition precedent to the tender of payments to hospitals under STEP SEVEN of subsection (b).

SECTION 5. IC 12-15-15-1.3, AS ADDED BY P.L.120-2002, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1.3. (a) This section applies to a hospital that is:

- (1) licensed under IC 16-21; and
- (2) established and operated under IC 16-22-2, IC 16-22-8, or IC 16-23.

EH 1813—LS 7696/DI 52+



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(b) For a state fiscal year ending after June 30, ~~2000~~, **2003**, in addition to reimbursement received under section 1 of this chapter, a hospital is entitled to reimbursement in an amount calculated as follows:

STEP ONE: The office shall identify the aggregate outpatient hospital services, reimbursable under this article and under the state Medicaid plan, that were provided during the state fiscal year by hospitals established and operated under IC 16-22-2, IC 16-22-8, ~~and or~~ IC 16-23.

STEP TWO: For the aggregate outpatient hospital services identified under STEP ONE, the office shall calculate the aggregate payments made under this article and under the state Medicaid plan to hospitals established and operated under IC 16-22-2, IC 16-22-8, ~~and or~~ IC 16-23, excluding payments under IC 12-15-16, IC 12-15-17, and IC 12-15-19.

STEP THREE: The office shall calculate ~~an amount equal to a percentage of~~ a reasonable estimate of the amount that would have been paid in the aggregate by the office under Medicare payment principles for the outpatient hospital services described in STEP ONE. ~~The office shall apply in this STEP the maximum percentage permitted for the state under federal Medicaid law.~~

STEP FOUR: Subtract the amount calculated under STEP TWO from the amount calculated under STEP THREE.

STEP FIVE: **Subject to subsection (g), from the amount calculated under STEP FOUR, allocate to a hospital established and operated under IC 16-22-8 an amount equal to one hundred percent (100%) of the difference between:**

(A) the total cost for the hospital's provision of outpatient services covered under this article for the hospital's fiscal year ending during the state fiscal year; and

(B) the total payment to the hospital for its provision of outpatient services covered under this article for the hospital's fiscal year ending during the state fiscal year, excluding payments under IC 12-15-16, IC 12-15-17, and IC 12-15-19.

STEP SIX: **Subtract the amount calculated under STEP FIVE from the amount calculated under STEP FOUR.**

~~STEP FIVE:~~ **SEVEN:** Distribute an amount equal to the amount calculated under STEP ~~FOUR~~ **SIX** to the eligible hospitals established and operated under IC 16-22-2 or IC 16-23 described in subsection (c) in proportion to each hospital's Medicaid shortfall as defined in subsection (f).

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(c) Subject to subsection (e), the reimbursement for a state fiscal year under this section consists of ~~a single payment~~ **payments** made before December 31 following the end of the state fiscal year. A hospital is not eligible for a payment described in this subsection unless an intergovernmental transfer is made under subsection (d).

(d) Subject to subsection (e), a hospital may make an intergovernmental transfer under this subsection, or an intergovernmental transfer may be made on behalf of the hospital, after the close of each state fiscal year. An intergovernmental transfer under this subsection must be made to the Medicaid indigent care trust fund in an amount equal to a percentage, as determined by the office, of the amount to be distributed to the hospital under STEP ~~FIVE SEVEN~~ of subsection (b). In determining the percentage, the office shall apply the same percentage of not more than eighty-five percent (85%) to all hospitals eligible for reimbursement under STEP ~~FIVE SEVEN~~ of subsection (b). The office shall use the intergovernmental transfer to fund payments made under this section and as otherwise provided under ~~IC 12-15-20-2(5)~~. **IC 12-15-20-2(8)**.

(e) A hospital making an intergovernmental transfer under subsection (d) may appeal under IC 4-21.5 the amount determined by the office to be paid by the hospital under STEP ~~FIVE SEVEN~~ of subsection (b). The periods described in subsections (c) and (d) for the hospital to make an intergovernmental transfer are tolled pending the administrative appeal and any judicial review initiated by the hospital under IC 4-21.5. The distribution to other hospitals under STEP ~~FIVE SEVEN~~ of subsection (b) may not be delayed due to an administrative appeal or judicial review instituted by a hospital under this subsection. If necessary, the office may make a partial distribution to the other eligible hospitals under STEP ~~FIVE SEVEN~~ of subsection (b) pending the completion of a hospital's administrative appeal or judicial review, at which time the remaining portion of the payments due to the eligible hospitals must be made. A partial distribution may be calculated by the office based upon estimates and trends.

(f) For purposes of this section:

(1) ~~a hospital's~~ **the Medicaid shortfall of a hospital operated under IC 16-22-2 or IC 16-23** is calculated as follows:

STEP ONE: The office shall identify the outpatient hospital services, reimbursable under this article and under the state Medicaid plan, that were provided during the state fiscal year by the hospital.

STEP TWO: For the outpatient hospital services identified under STEP ONE, the office shall calculate the payments

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made under this article and under the state Medicaid plan to the hospital, excluding payments under IC 12-15-16, IC 12-15-17, and IC 12-15-19.

STEP THREE: The office shall calculate an amount equal to a percentage of a reasonable estimate of the amount that would have been paid by the office for the outpatient hospital services described in STEP ONE under Medicare payment principles; ~~The office shall apply in this STEP the maximum percentage permitted for the state under federal Medicaid law;~~ and

(2) a hospital's Medicaid shortfall is equal to the amount by which the amount calculated in STEP THREE of subdivision (1) is greater than the amount calculated in STEP TWO of subdivision (1).

(g) The actual distribution of the amount calculated under STEP FIVE of subsection (b) to a hospital established and operated under IC 16-22-8 shall be made under the terms and conditions provided for the hospital in the state plan for medical assistance. Payment to a hospital under STEP FIVE of subsection (b) is not a condition precedent to the tender of payments to hospitals under STEP SEVEN of subsection (b).

SECTION 6. IC 12-15-15-1.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 1.5. (a) This section applies to a hospital that:**

- (1) is licensed under IC 16-21;**
- (2) is not a unit of state or local government; and**
- (3) is not owned or operated by a unit of state or local government.**

(b) For a state fiscal year ending after June 30, 2003, in addition to reimbursement received under section 1 of this chapter, a hospital eligible under this section is entitled to reimbursement in an amount calculated as follows:

STEP ONE: The office shall identify the aggregate inpatient hospital services and the total outpatient hospital services, reimbursable under this article and under the state Medicaid plan, that were provided during the state fiscal year by the hospitals described in subsection (a).

STEP TWO: For the total inpatient hospital services and outpatient hospital services identified under STEP ONE, the office shall calculate the aggregate payments made under this article and under the state Medicaid plan to hospitals

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described in subsection (a), excluding payments under IC 12-15-16, IC 12-15-17, and IC 12-15-19.

STEP THREE: The office shall calculate a reasonable estimate of the amount that would have been paid in all by the office for the inpatient hospital services and outpatient hospital services described in STEP ONE under Medicare payment principles.

STEP FOUR: Subtract the amount calculated under STEP TWO from the amount calculated under STEP THREE.

STEP FIVE: Distribute an amount equal to the amount calculated under STEP FOUR to the eligible hospitals described in subsection (a) as follows:

(A) Subject to the availability of funds under IC 12-15-20-2(8)(D) to serve as the non-federal share of such payment, the first ten million dollars (\$10,000,000) of the amount calculated under STEP FOUR for a state fiscal year shall be paid to a hospital described in subsection (a) that has more than seventy thousand (70,000) Medicaid inpatient days.

(B) Following the payment to the hospital under clause (A) and subject to the availability of funds under IC 12-15-20-2(8)(D) to serve as the non-federal share of such payments, the remaining amount calculated under STEP FOUR for a state fiscal year shall be paid to all hospitals described in subsection (a). The payments shall be made on a pro rata basis based on the hospitals' Medicaid inpatient days or other payment methodology approved by the Centers for Medicare and Medicaid Services.

(C) Subject to IC 12-15-20.7, in the event the entirety of the amount calculated under STEP FOUR is not distributed following the payments made under clauses (A) and (B), the remaining amount may be paid to hospitals described in subsection (a), provided that the non-federal share of a hospital's payment is provided by or on behalf of the hospital. The remaining amount shall be paid to those hospitals on a pro rata basis based on the hospitals' Medicaid inpatient days or other payment methodology approved by the Centers for Medicare and Medicaid Services.

(D) For purposes of the clauses (A), (B) and (C), a hospital's Medicaid inpatient days are based on the

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Medicaid inpatient days allowed for the hospital by the office for purposes of the office's most recent determination of eligibility for the Medicaid disproportionate payment program under IC 12-15-16.

(c) Reimbursement for a state fiscal year under this section consists of payments made after the close of each state fiscal year. Payment for a state fiscal year ending after June 30, 2003, shall be made before December 31 following the end of the state fiscal year.

(d) A hospital described in subsection (a) may appeal under IC 4-21.5 the amount determined by the office to be paid to the hospital under STEP FIVE of subsection (b). The distribution to other hospitals under STEP FIVE of subsection (b) may not be delayed due to an administrative appeal or judicial review instituted by a hospital under this subsection. If necessary, the office may make a partial distribution to the other eligible hospitals under STEP FIVE of subsection (b) pending the completion of a hospital's administrative appeal or judicial review, at which time the remaining portion of the payments due to the eligible hospitals shall be made. A partial distribution may be based on estimates and trends calculated by the office."

Page 3, line 10, delete "section," and insert "section and IC 12-16-7.5-4.5,".

Page 5, line 1, after "year," insert "subject to section 9.6 of this chapter,".

Page 5, line 10, delete "approved" and insert "payable".

Page 5, line 33, delete "For" and insert "Subject to subsection (i), for".

Page 6, line 7, delete "by" and insert "of".

Page 6, line 13, after "funds" insert "of".

Page 6, line 25, delete "IC 12-16-7.5-2.5(b)." and insert "IC 12-16-7.5-2.5(b)(1)".

Page 6, line 27, after "is" insert "an amount equal to".

Page 6, line 33, after "payable" insert "hospital".

Page 6, line 33, delete "submitted by a".

Page 6, line 34, delete "hospital".

Page 6, between lines line 37 and 38, begin a new paragraph and insert:

"(j) The amount calculated under STEP FIVE of subsection (c) for a hospital with respect to a county may not exceed the total amount of the hospital's payable claims attributed to the county during the state fiscal year."

Page 6, line 41, delete "section, a" and insert "section and

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IC 12-16-7.5-4.5, a payable".

Page 7, line 20, after "year," insert **"subject to section 9.6 of this chapter,"**.

Page 7, line 32, after "funds" insert **"of the county"**.

Page 7, line 33, delete "by the county".

Page 8, line 5, after "hospital's" insert **"payable"**.

Page 8, line 17, after "THREE." insert **"The amount calculated under this STEP for a hospital may not exceed the amount by which the hospital's total payable claims under IC 12-16-7.5 submitted during the state fiscal year exceeded the amount of the hospital's payment under section 9(c) of this chapter."**

Page 8, line 24, delete "nonfederal" and insert **"non-federal"**.

Page 8, line 27, delete "9(e)" and insert **"9"**.

Page 8, line 34, delete "IC 12-16-7.5-4.5(c)" and insert **"IC 12-16-7.5-4.5(b)"**.

Page 8, line 35, delete "9(e)" and insert **"9"**.

Page 8, line 36, after "amount" insert **"available"**.

Page 8, line 37, delete "IC 12-16-7.5-4.5(c)" and insert **"IC 12-16-7.5-4.5(b) to serve as the non-federal share of payments to a hospital under subsection (c)"**.

Page 9, line 15, after "IC 12-16-7.5-4.5(b)" insert **"for a state fiscal year"**.

Page 9, between lines 16 and 17, begin a new paragraph and insert: **"(i) For purposes of this section:**

(1) "payable claim" has the meaning set forth in IC 12-16-7.5-2.5(b);

(2) the amount of a payable claim is an amount equal to the amount the hospital would have received under the state's fee-for-service Medicaid reimbursement principles for the hospital care for which the payable claim is submitted under IC 12-16-7.5 if the individual receiving the hospital care had been a Medicaid enrollee; and

(3) a payable hospital claim under IC 12-16-7.5 includes a payable claim under IC 12-16-7.5 for the hospital's care submitted by an individual or entity other than the hospital, to the extent permitted under the hospital care for the indigent program.

SECTION 9. IC 12-15-15-9.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 9.6. The total amount of payments to hospitals under sections 9 and 9.5 of this chapter may not exceed the amount transferred to the Medicaid indigent care**



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trust fund under IC 12-16-7.5-4.5(b) for the state fiscal year."

Page 9, line 20, delete "nonfederal" and insert "**non-federal**".

Page 9, line 23, strike "(5)," and insert "**(8)**".

Page 10, line 42, delete "nonfederal" and insert "**non-federal**".

Page 11, line 5, delete "nonfederal" and insert "**non-federal**".

Page 11, line 6, delete "nonfederal" and insert "**non-federal**".

Page 11, line 8, delete "(E), and, subject to clause (F), the" and insert "**(F), and the non-federal share of payments under clauses (A) and (B) of STEP FIVE of IC 12-15-15-1.5(b).**".

Page 11, delete lines 9 through 10.

Page 11, line 11, delete "methodology, which shall be developed by the office."

Page 11, line 22, delete "As provided in clause (D), for each" and insert "**The total amount of intergovernmental transfers used to fund the non-federal share of payments to hospitals under IC 12-15-15-9 and IC 12-15-15-9.5 shall not exceed the amount calculated under STEP TWO of the following formula:**

STEP ONE: Calculate the amount of funds transferred to the Medicaid indigent care trust fund under IC 12-16-7.5-4.5(b) for the state fiscal year.

STEP TWO: Multiply the state Medicaid medical assistance percentage for the state fiscal year for which the payments under IC 12-15-15-9 and IC 12-15-15-9.5 are to be made by the amount calculated under STEP ONE.

(F) As provided in clause (D), for each".

Page 11, delete line 42.

Page 12, delete lines 1 through 26.

Page 12, line 27, delete "(G)".

Page 12, line 27, strike "If funds are transferred under IC 12-17.7-9-2 or".

Page 12, strike lines 28 through 31.

Page 12, between lines 31 and 32, begin a new paragraph and insert:
"SECTION 11. IC 12-15-20.7 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]:

Chapter 20.7. Payment Schedule

Sec. 1. As used in this chapter:

(1) "Medicaid inpatient payments for safety-net hospitals" means the payments provided for in the Medicaid state plan for inpatient services provided by hospitals that satisfy the definition of a safety-net hospital under the Medicaid state plan; and

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(2) "Medicaid outpatient payments for safety-net hospitals" means the payments provided for in the Medicaid state plan for outpatient services provided by hospitals that satisfy the definition of a safety-net hospital under the Medicaid state plan.

Sec. 2. For each state fiscal year, the office shall make the payments identified in this section in the following order:

- (1) First, payments under IC 12-15-15-9 and IC 12-15-15-9.5.
- (2) Second, payments under clauses (A) and (B) of STEP FIVE of IC 12-15-15-1.5(b).
- (3) Third, Medicaid inpatient payments for safety-net hospitals and Medicaid outpatient payments for safety-net hospitals.
- (4) Fourth, payments under IC 12-15-15-1.1 and 12-15-15-1.3.
- (5) Fifth, payments under IC 12-15-19-8 for municipal disproportionate share hospitals.
- (6) Sixth, payments under IC 12-15-19-2.1 for disproportionate share hospitals.
- (7) Seventh, payments under clause (C) of STEP FIVE of IC 12-15-15-1.5(b)."

Page 15, line 27, delete "covered".

Page 15, delete lines 40 through 42.

Page 16, line 39, delete "attributable" and insert "attributed".

Page 17, line 10, delete "attributable" and insert "attributed".

Page 17, line 17, after "for each" insert "person or".

Page 17, line 20, after "transferred" insert "from a county's hospital care for the indigent fund".

Page 17, line 23, after "transferred" insert "from a county's hospital care for the indigent fund".

Page 17, delete lines 28 through 41, begin a new line block indented and insert:

"county under subsection (a), determine the amount of total hospital payable claims, total physician payable claims, and total transportation provider payable claims. Of the amounts determined for physicians and transportation providers, calculate the sum of those amounts as a percentage of the total payable physician claims and total payable transportation provider claims attributed to all the counties submitted to the division during the state fiscal year.

STEP THREE: Multiply three million dollars (\$3,000,000) by the percentage calculated under STEP TWO.

STEP FOUR: Transfer to the Medicaid indigent care trust

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fund for purposes of IC 12-15-20-2(8)(D) an amount equal to the amount calculated under STEP ONE, minus an amount equal to the amount calculated under STEP THREE.

STEP FIVE: The division shall retain an amount equal to the amount remaining in the state hospital care for the indigent fund after the transfer in STEP FOUR for purposes of making payments under section 5 of this chapter."

Page 18, line 7, delete "combined".

Page 18, line 7, after "amounts" insert "**combined from the counties' hospital care for the indigent funds and**".

Page 18, line 8, delete "4.5(c)" and insert "**4.5(b)**".

Page 19, line 14, delete "2004, and 2005,".

Page 19, line 18, delete "the preceding year;" and insert "**2002;**".

Page 19, line 21, delete "the year in which the tax levy under" and insert "**taxes first due and payable in 2003.**".

Page 19, delete line 22.

Page 19, between lines 22 and 23, begin a new paragraph and insert:
"(c) For taxes first due and payable in 2004, 2005, and 2006, each county shall impose a hospital care for the indigent property tax levy equal to the product of:

(1) the county's hospital care for the indigent property tax levy for taxes first due and payable in the preceding year; multiplied by

(2) the assessed value growth quotient determined in the last STEP of the following STEPS:

STEP ONE: Determine the three (3) calendar years that most immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first become effective.

STEP TWO: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth) of the county's total assessed value of all taxable property in the particular calendar year, divided by the county's total assessed value of all taxable property in the calendar year immediately preceding the particular calendar year.

STEP THREE: Divide the sum of the three (3) quotients computed in STEP TWO by three (3)."

Page 19, line 23, delete "(c)" and insert "**(d)**".

Page 19, line 23, delete "subsections (d) and (e):" and insert "**subsection (e):**".

Page 19, line 24, delete "2006," and insert "**2007,**".

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Page 20, line 7, delete "(d)" and insert "(e)".

Page 20, line 8, delete "(c)" and insert "(d)".

Page 20, delete lines 9 through 42, begin a new line block indented and insert:

"(1) The greater of:

(A) the county's hospital care for the indigent property tax levy for taxes first due and payable in 2006; or

(B) the amount of the county's maximum hospital care for the indigent property tax levy determined under this subsection for taxes first due and payable in the immediately preceding year; multiplied by

(2) the assessed value growth quotient determined in the last STEP of the following STEPS:

STEP ONE: Determine the three (3) calendar years that most immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first become effective.

STEP TWO: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth) of the county's total assessed value of all taxable property in the particular calendar year, divided by the county's total assessed value of all taxable property in the calendar year immediately preceding the particular calendar year.

STEP THREE: Divide the sum of the three (3) quotients computed in STEP TWO by three (3)."

Delete pages 21 through 23.

Page 24, line 6, after "information" insert "**possessed or**".

Page 24, line 7, delete "an electronic or" and insert "**a**".

Page 26, line 12, delete "IC 12-17.7-9-1;" and insert "IC 12-17.7; IC 12-17.8."

Page 26, delete line 13.

Re-number all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to EHB 1813 as printed March 21, 2003.)

BORST, Chairperson

Committee Vote: Yeas 14, Nays 1.

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