
SENATE BILL No. 479

DIGEST OF INTRODUCED BILL

Citations Affected: IC 2-5-23-4; IC 12-10-10; IC 12-10-11-9; IC 12-10-11.5.

Synopsis: CHOICE funding. Allows the health finance commission to study implementation of long term care services. Provides that money that was appropriated but not spent in a fiscal year for the community and home options to institutional care and disabled program (CHOICE) does not revert and may be used in the following fiscal year for certain programs. Provides that provider rates for home and community based services must be set to ensure that providers do not lose money and shall be set in the same manner that rates are set for CHOICE. Requires the office of Medicaid policy and planning to develop procedures for eliminating reimbursement to nursing homes for unused beds. Requires the division of disability, aging, and rehabilitative services and the area agencies on aging to develop teams of volunteers to assist in the placement of persons in home and community based service programs. Appropriates CHOICE money that does not revert. Appropriates \$5,456,800 to the office of the secretary of family and social services for the CHOICE program for the state fiscal year ending June 30, 2005. Appropriates \$10,000,000 from the state general fund from federal Medicaid money for implementation of P.L.274-2003 for the state fiscal year ending June 30, 2005. Appropriates \$5,000,000 from money received under the federal jobs and growth tax relief reconciliation act of 2003 for implementation of long term care services and respite care services for state fiscal year ending June 30, 2005.

Effective: July 1, 2004.

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January 13, 2004, read first time and referred to Committee on Finance.

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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 2003 Regular Session of the General Assembly.

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SENATE BILL No. 479



A BILL FOR AN ACT to amend the Indiana Code concerning human services and to make an appropriation.

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

- 1 SECTION 1. IC 2-5-23-4 IS AMENDED TO READ AS FOLLOWS
- 2 [EFFECTIVE JULY 1, 2004]: Sec. 4. The commission may study any
- 3 topic:
- 4 (1) directed by the chairman of the commission;
- 5 (2) assigned by the legislative council; or
- 6 (3) concerning issues that include:
- 7 (A) the delivery, payment, and organization of health care
- 8 services; ~~and~~
- 9 (B) rules adopted under IC 4-22-2 that pertain to health care
- 10 delivery, payment, and services that are under the authority of
- 11 any board or agency of state government; **and**
- 12 **(C) implementation of IC 12-10-11.5.**
- 13 SECTION 2. IC 12-10-10-8.5 IS ADDED TO THE INDIANA
- 14 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
- 15 [EFFECTIVE JULY 1, 2004]: **Sec. 8.5. Provider rates set for the**
- 16 **program:**
- 17 **(1) may not be reduced to match provider rates for Medicaid**



1 waiver home and community based services under this
2 chapter; and

3 (2) shall continue to be set through the bidding procedures
4 utilized by the area agencies on aging as of November 1, 2003.

5 SECTION 3. IC 12-10-10-12 IS ADDED TO THE INDIANA
6 CODE AS A NEW SECTION TO READ AS FOLLOWS
7 [EFFECTIVE JULY 1, 2004]: Sec. 12. (a) If, on May 1 of any year,
8 there are five hundred (500) or more persons on the waiting list for
9 services funded through the program, any money that:

10 (1) was appropriated to the division for the administration of
11 the program;

12 (2) was not spent in the fiscal year for which it was
13 appropriated; and

14 (3) is retained by the division;

15 does not revert to the state general fund at the end of the state
16 fiscal year and may be used in subsequent fiscal years for persons
17 receiving services under this chapter.

18 (b) If, on May 1 of any year, there are fewer than five hundred
19 (500) persons on the waiting list for services funded through the
20 program, any money that:

21 (1) was appropriated to the division for the administration of
22 the program;

23 (2) was not spent in the fiscal year for which it was
24 appropriated; and

25 (3) is retained by the division;

26 does not revert to the state general fund at the end of the state
27 fiscal year and may be used in subsequent fiscal years for state
28 matching funds for assisted living services or adult foster care
29 services under a medicaid waiver.

30 (c) Any money not reverted under subsection (a) or (b) is
31 annually appropriated to the division for its use in administering
32 the program as specified in subsection (a) or (b).

33 SECTION 4. IC 12-10-11-9 IS ADDED TO THE INDIANA CODE
34 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
35 1, 2004]: Sec. 9. (a) The:

36 (1) area agencies on aging designated under IC 12-10-1-4;

37 (2) division of disabilities, aging, and rehabilitative services;
38 and

39 (3) office of Medicaid policy and planning established by
40 IC 12-8-6-1;

41 shall work with the board to review rate setting procedures for
42 home and community based services.

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1 **(b) The review required by subsection (a) must include hearings**
2 **by the board at which public comment may be offered. Findings**
3 **resulting from reviews conducted under subsection (a) shall be**
4 **submitted to the governor, the secretary, the budget agency, and**
5 **the health finance commission.**

6 SECTION 5. IC 12-10-11.5-8 IS ADDED TO THE INDIANA
7 CODE AS A NEW SECTION TO READ AS FOLLOWS
8 [EFFECTIVE JULY 1, 2004]: **Sec. 8. (a) Provider rates for home**
9 **and community based services to which the state provides access**
10 **under a Medicaid waiver under section 5 of this chapter must be**
11 **set higher than the cost of providing the services.**

12 **(b) The procedure for setting provider rates for home and**
13 **community based services under section 5 of this chapter may be**
14 **modeled after the procedures used to establish provider rates for**
15 **services through the community and home options to institutional**
16 **care for the elderly and disabled program established under**
17 **IC 12-10-10.**

18 SECTION 6. IC 12-10-11.5-9 IS ADDED TO THE INDIANA
19 CODE AS A NEW SECTION TO READ AS FOLLOWS
20 [EFFECTIVE JULY 1, 2004]: **Sec. 9. The office of Medicaid policy**
21 **and planning shall, subject to approval by the governor and the**
22 **budget agency, develop and employ procedures for eliminating**
23 **public reimbursement to nursing homes for unused certified or**
24 **licensed beds.**

25 SECTION 7. IC 12-10-11.5-10 IS ADDED TO THE INDIANA
26 CODE AS A NEW SECTION TO READ AS FOLLOWS
27 [EFFECTIVE JULY 1, 2004]: **Sec. 10. (a) The area agencies on aging**
28 **designated under IC 12-10-1-4 shall work with the division of**
29 **disability, aging, and rehabilitative services (referred to as "the**
30 **division" in this section) to establish teams, including volunteers**
31 **trained by the area agencies on aging, to identify persons in health**
32 **care facilities licensed under IC 16-28-2 who:**

- 33 **(1) wish to receive; and**
34 **(2) are suitable prospective recipients of;**
35 **home and community based services through a Medicaid waiver or**
36 **the community and home options to institutional care for the**
37 **elderly and disabled program.**

38 **(b) Subject to standards established by the division, volunteer**
39 **teams established under subsection (a) may assist in the**
40 **identification of persons in health care facilities who are suitable**
41 **for home and community based services and Medicaid waiver or**
42 **community and home options to institutional care for the elderly**

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and disabled.

SECTION 8. [EFFECTIVE JULY 1, 2004] (a) There is appropriated to the office of the secretary of family and social services five million, four hundred fifty-six thousand eight hundred dollars (\$5,456,800) from the state general fund for the community and home options to institutional care for the elderly and disabled (CHOICE) program for its use for the fiscal year beginning July 1, 2004, and ending June 30, 2005. The amount appropriated in this subsection represents the amount of money reverted from the CHOICE appropriation on June 30, 2003.

(b) There is appropriated to the office of the secretary of family and social services from the state general fund ten million dollars (\$10,000,000) for transition costs associated with the implementation of long term care services under IC 12-10-11.5, and respite care services under IC 12-10.5 for the fiscal year beginning July 1, 2004, and ending June 30, 2005. The appropriation made in this subsection shall be made from federal Medicaid funds received by the state.

(c) There is appropriated to the office of the secretary of family and social services from the state general fund five million dollars (\$5,000,000) for transition costs associated with long term care services under IC 12-10-11.5 and respite care services under IC 12-10.5 for the fiscal year beginning July 1, 2004, and ending June 30, 2005. The appropriation made in this subsection shall be made from federal funds received from the federal Jobs and Growth Tax Relief Reconciliation Act of 2003.

(d) This SECTION expires July 1, 2005.

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