



January 26, 2010

# HOUSE BILL No. 1226

DIGEST OF HB 1226 (Updated January 25, 2010 1:47 pm - DI 77)

**Citations Affected:** IC 4-6; IC 12-15; IC 25-1; IC 25-4; IC 25-10; IC 25-15; IC 25-27; IC 25-30; IC 25-34.1; IC 25-34.5; IC 34-30; IC 35-48.

**Synopsis:** Health and Medicaid fraud matters. Establishes procedures for the attorney general to seize, secure, store, and destroy abandoned or at risk health records and other records containing personally identifying information. Creates a health records and personal identifying information protection trust fund to pay for costs associated with securing and maintaining the records. Allows the office of the secretary of family and social services to exclude specified persons who engage in fraud or abuse from participating in state administered health care programs. Requires the office of the secretary to maintain a list of persons excluded from participating in state administered health care programs and provide that list to specified persons. Requires certain Medicaid providers or applicants to submit a surety bond to the office of Medicaid policy and planning to be used for specified purposes before the provider may receive reimbursement. Establishes a uniform procedure to allow a board of a regulated occupation to issue a cease and desist order to an unlicensed person who engages in an activity that requires a license. Repeals and makes conforming changes concerning cease and desist and injunctions orders. Prohibits health professions licensing boards from accepting the surrender of a license if the attorney general files an administrative action against the practitioner and opposes the surrender. Provides for automatic revocation of a controlled substances advisory commission permit if a physician's license is revoked. (Current law requires a  
(Continued next page)

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**Effective:** July 1, 2010.

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**Reske, Frizzell**

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January 11, 2010, read first time and referred to Committee on Public Health.  
January 26, 2010, amended, reported — Do Pass.

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HB 1226—LS 6879/DI 104+



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separate administrative process to take place if a physician's license is revoked.) Provides that a pharmacist, pharmacy technician, or person authorized by a pharmacist to dispense a controlled substance may not dispense a controlled substance to a person who is not personally known to the pharmacist, pharmacy technician, or person authorized by a pharmacist to dispense a controlled substance unless the person taking possession of the controlled substance provides documented proof of the person's identification to the pharmacist, pharmacy technician, or person authorized by a pharmacist to dispense a controlled substance.

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January 26, 2010

Second Regular Session 116th General Assembly (2010)

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 2009 Regular and Special Sessions of the General Assembly.

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## HOUSE BILL No. 1226

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

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

1 SECTION 1. IC 4-6-14 IS ADDED TO THE INDIANA CODE AS  
2 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2010]:

4 **Chapter 14. Health Records and Identifying Information**  
5 **Protection**

6 **Sec. 1. As used in this chapter, "abandoned" means voluntarily**  
7 **surrendered, relinquished, or disclaimed by the health care**  
8 **provider or regulated professional, with no intention of reclaiming**  
9 **or regaining possession.**

10 **Sec. 2. As used in this chapter, "health care provider" means a**  
11 **person listed in IC 16-39-7-1(a)(1) through IC 16-39-7-1(a)(11).**

12 **Sec. 3. As used in this chapter, "personal information" has the**  
13 **meaning set forth in IC 24-4.9-2-10.**

14 **Sec. 4. As used in this chapter, "regulated professional" means**  
15 **an individual who is regulated by a board listed under**

HB 1226—LS 6879/DI 104+



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**IC 25-1-11-1.**

**Sec. 5. The attorney general may do the following with abandoned health records and other records that contain personal information:**

- (1) Take possession of.**
- (2) Store.**
- (3) Maintain.**
- (4) Transfer.**
- (5) Protect.**
- (6) Destroy, subject to the limitations in sections 8(b) and 9(b) of this chapter.**

**Sec. 6. Before taking any action described in section 5 of this chapter, the attorney general shall determine whether a health care provider or regulated professional has abandoned original patient health records in violation of IC 16-39-7-1(b) or records containing personal information in violation of IC 24-4.9.**

**Sec. 7. (a) The attorney general shall make reasonable efforts to notify the patients and those individuals identified in:**

- (1) health records; or**
- (2) records or documents that contain personal information; that the attorney general has taken possession of the records or documents. The notice in this subsection must include information about the procedure for either obtaining originals or copies of the records or having the original records sent to a duly authorized subsequent treating health care provider.**

**(b) Unless prohibited by law, the attorney general may also notify other persons, including professional organizations, hospitals, law enforcement agencies, and government units, who:**

- (1) may be able to assist in notifying persons whose records were abandoned and secured by the attorney general under this chapter; and**
- (2) when appropriate, may be able to assist in returning the records to those persons.**

**Sec. 8. (a) The attorney general shall maintain an original patient health record obtained under section 5 of this chapter for the lesser of the following:**

- (1) The time required under IC 16-39-7-1 and IC 16-39-7-2.**
- (2) Three (3) years after the date the records are secured.**

**(b) When the time expires under subsection (a), the attorney general may destroy the original patient records obtained under section 5 of this chapter.**

**Sec. 9. (a) The attorney general shall maintain records that are**

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1 not health records but contain personal information for at least  
 2 three (3) years after the date the records are seized or secured.  
 3 (b) When the time expires under subsection (a) and after  
 4 notification under section 7 of this chapter, the attorney general  
 5 may destroy the records that contain personal information.  
 6 Sec. 10. (a) The health records and personal identifying  
 7 information protection trust fund is established for the purpose of  
 8 paying storage, maintenance, copying, mailing, and transfer of:  
 9 (1) patient health records; and  
 10 (2) records containing personal information;  
 11 as required under this chapter. Expenditures from the trust fund  
 12 may be made only to carry out the purposes of this subsection.  
 13 (b) Subject to subsection (c), if a health care provider or a  
 14 regulated professional is disciplined under IC 25-1-9 or IC 25-1-11,  
 15 the board that issues the disciplinary order shall impose a fee  
 16 against the individual of five dollars (\$5). The fee must be  
 17 deposited into the health records and personal identifying  
 18 information protection trust fund.  
 19 (c) If the amount in the health records and personal identifying  
 20 information protection trust fund exceeds seventy-five thousand  
 21 dollars (\$75,000), the fee imposed under subsection (b) may not be  
 22 imposed on an individual who is subject to a disciplinary order.  
 23 (d) The attorney general shall administer the trust fund.  
 24 (e) The expenses of administering the trust fund shall be paid  
 25 from the money in the fund.  
 26 (f) The treasurer of state shall invest the money in the trust fund  
 27 not currently needed to meet the obligations of the fund in the same  
 28 manner as other public money may be invested.  
 29 (g) Money in the trust fund at the end of a state fiscal year does  
 30 not revert to the state general fund.  
 31 Sec. 11. The attorney general is immune from civil liability for  
 32 destroying or failing to maintain custody and control of any record  
 33 obtained under this chapter.  
 34 Sec. 12. The following may cooperate with the attorney general's  
 35 office to implement this chapter:  
 36 (1) The Indiana professional licensing agency and the  
 37 appropriate board that regulates a health care provider or a  
 38 regulated professional under IC 25.  
 39 (2) The state police department.  
 40 (3) A prosecuting attorney.  
 41 (4) Local law enforcement agencies.  
 42 (5) Federal law enforcement agencies.

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**Sec. 13. The attorney general may adopt rules under IC 4-22-2 that are necessary to administer and implement this chapter.**

**Sec. 14. A determination by the attorney general that health records or other records that contain personal information have been abandoned is subject to review in a circuit or superior court. A person who seeks to enforce this section must first notify the attorney general of the intention to seek judicial review.**

**SECTION 2. IC 12-15-11-1.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 1.5. (a) The office shall exclude the following persons from participating in the Medicaid program:**

- (1) A person who has been convicted of a criminal offense related to the delivery of an item or service under the Medicaid program.**
- (2) A person who has been convicted of a criminal offense relating to neglect or abuse of a patient during the delivery of a health care item or service.**

**(b) The office may exclude a person who meets at least one (1) of the following from participating in the Medicaid program:**

- (1) Has furnished services under a Medicaid waiver that failed substantially to provide medically necessary items and services required under law or the Medicaid provider contract and the failure has adversely affected or has the substantial likelihood of adversely affecting the patient.**
- (2) Is providing items or services as a risk based managed care organization and has failed substantially to provide medically necessary items and services that are required under law or contract to be provided to an individual covered under the risk sharing contract and the failure has adversely affected or has the substantial likelihood of adversely affecting the individual.**
- (3) Has had the person's license to provide health care services revoked, suspended, surrendered, or otherwise prohibited to renew the license by the licensing entity for reasons related to the person's:**
  - (A) professional competence;**
  - (B) professional performance; or**
  - (C) financial integrity.**
- (4) Has failed to grant immediate access upon reasonable request to any of the following:**
  - (A) The office of the secretary or an entity contracting with and representing the office.**

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**(B) The inspector general of the United States Department of Health and Human Services, for the purpose of reviewing records, documents, and other data necessary in the course of the inspector general's job.**

**(C) The state Medicaid fraud control unit established under IC 4-6-10.**

**(5) Has collected or attempted to collect any amount not reimbursed by Medicaid from a Medicaid recipient and the collection of the amount is prohibited by state or federal law.**

**SECTION 3. IC 12-15-11-1.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 1.7. (a) The office of the secretary may not reimburse:**

- (1) a person;**
- (2) a person with an ownership or control interest in the business of the person or in any subcontractor in which the business of the person has a direct or indirect ownership of at least five percent (5%) of the business of a person; or**
- (3) an officer, director, agent, or managing employee of a person;**

**excluded under section 1.5 of this chapter for providing items or services under the Medicaid program.**

**(b) The office of the secretary shall maintain a list of persons excluded under section 1.5 of this chapter, including names of persons provided by the office of the attorney general, and make the list available to health care providers that are participating in state administered health care programs.**

**(c) A person who has been excluded from participating in the Medicaid program under section 1.5(a) of this chapter may apply to the office of the secretary in writing for reinstatement in a manner prescribed by the office of the secretary not earlier than five (5) years after the person has been excluded.**

**(d) A person that has been excluded from participating in the Indiana Medicaid program under section 1.5(b) of this chapter may apply to the office of the secretary in writing for reinstatement in a manner prescribed by the office of the secretary not earlier than one (1) year after the person has been excluded.**

**SECTION 4. IC 12-15-11-2.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 2.5. (a) This section does not apply to the following durable medical equipment suppliers:**

- (1) A person who is licensed or certified by a board listed in**

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**IC 25-1-9-1.**

**(2) A person who has a surety bond under the Medicare program to sell durable medical equipment.**

**(3) A retail facility that contains a pharmacy that has a permit issued under IC 25-26-13.**

**(b) As used in this section, "durable medical equipment" does not include optical equipment.**

**(c) Except as provided in subsection (g), a transportation supplier or durable medical equipment supplier:**

**(1) desiring to participate in the Medicaid program by providing items or services to individuals eligible for Medicaid services;**

**(2) changing the ownership of a Medicaid provider; or**

**(3) purchasing or transferring the assets or ownership interests of a Medicaid provider and enrolling as a provider in the Medicaid program;**

**shall submit to the office an authorized surety bond, as determined by the office of the secretary, that meets the requirements under subsections (f) and (g) from an authorized surety at the time the person files a Medicaid provider agreement with the office.**

**(d) Not later than October 15, 2010, and except as provided in subsection (g), a transportation supplier or durable medical equipment supplier that is a Medicaid provider on June 30, 2010, shall submit to the office an authorized surety bond, as determined by the office of the secretary, and that meets the requirements under subsections (f) and (g), from an authorized surety.**

**(e) In addition to a surety bond filed under subsection (c) or (d), a transportation supplier or durable medical equipment supplier that is a Medicaid provider applicant or provider shall file an additional authorized surety bond, as determined by the office of the secretary, of fifty thousand dollars (\$50,000) for each:**

**(1) criminal conviction;**

**(2) civil judgment; or**

**(3) exclusion action under this chapter, 42 U.S.C. 1320a-7, or 42 U.S.C. 1320c-5;**

**related to Medicaid provider services within the ten (10) years preceding enrollment, renewal, or the purchase or transfer of ownership.**

**(f) A surety bond filed with the office under this section must meet the following requirements:**

**(1) Be continuous.**

**(2) Provide that the bond is liable for a duplicate, erroneous,**

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1 or false claim paid by the office to the provider under  
 2 Medicaid during the term of the bond.  
 3 (3) Guarantee that the surety will, within thirty (30) days  
 4 after receiving written notice from the office that contains  
 5 sufficient evidence to establish the surety's liability under the  
 6 bond of a duplicate, erroneous, or false claim paid by the  
 7 office to the provider, pay the office the following amounts not  
 8 to exceed the full amount of the bond:  
 9 (A) The amount of a provider's unpaid claim to the office,  
 10 plus accrued interest, for which the provider is responsible.  
 11 (B) The amount of a duplicate, erroneous, or false claim  
 12 that has previously been paid by the office to the provider.  
 13 (C) An assessment imposed by the office on the provider,  
 14 plus accrued interest.  
 15 (4) Provide that if the Medicaid provider's billing privileges  
 16 are revoked, the last bond or rider submitted by the Medicaid  
 17 provider remains in effect until the last day of the surety bond  
 18 coverage period and the surety remains liable for a duplicate,  
 19 erroneous, or false claim paid by the office to the provider  
 20 during the term of the bond.  
 21 (5) Name the Medicaid provider as principal, the office as  
 22 obligee, and the surety, including the surety's heirs, executors,  
 23 administrators, successors, and assignees, jointly and  
 24 severally as surety.  
 25 (6) Provide that actions under the bond may be brought by  
 26 the office or by the attorney general.  
 27 (7) Provide the surety's name, street address or post office box  
 28 number, city, state, and ZIP code.  
 29 (g) A transportation provider or durable medical equipment  
 30 provider that states on the Medicaid application or renewal form  
 31 that the provider bills or expects to bill less than fifty thousand  
 32 dollars (\$50,000) annually under the Medicaid program is not  
 33 required to obtain a surety bond. A transportation or durable  
 34 medical equipment provider that states on the Medicaid  
 35 application or renewal form that the provider bills or expects to  
 36 bill the following amounts shall file the following surety bond:  
 37 (1) More than fifty thousand dollars (\$50,000) but less than  
 38 two hundred fifty thousand dollars (\$250,000), a surety bond  
 39 in the amount of twenty-five thousand dollars (\$25,000).  
 40 (2) Two hundred fifty thousand dollars (\$250,000) or more, a  
 41 surety bond in the amount of fifty thousand dollars (\$50,000).  
 42 (h) If a transportation or durable medical equipment provider

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1 bills more than the amount set forth on the provider's application  
2 or renewal form under subsection (g) during the year in which the  
3 surety bond filed with the office of the secretary applies, the  
4 provider shall obtain an updated surety bond that complies with  
5 the billing amounts and corresponding surety bond coverage  
6 amounts described in subsection (g).

7 (i) The office may revoke or deny a Medicaid provider's billing  
8 privileges based on the submission of a bond that does not comply  
9 with this section.

10 (j) If a Medicaid provider determines to cancel a surety bond,  
11 the Medicaid provider shall do the following:

12 (1) Provide notice to the office and the surety at least thirty  
13 (30) days before the effective date of the cancellation.

14 (2) Submit a new bond before the effective date of the  
15 cancellation of the previous bond.

16 The office may revoke the Medicaid provider's billing privileges if  
17 the provider violates this subsection. The liability of the surety  
18 continues until the effective date of the cancellation.

19 (k) The surety shall notify the office of a lapse in the surety's  
20 coverage of a Medicaid provider.

21 (l) Upon notice under subsection (k) of a lapse in coverage or if  
22 a gap in coverage occurs, the office shall revoke the Medicaid  
23 provider's billing privileges. The office may not reimburse the  
24 Medicaid provider for services provided during the lapse or gap in  
25 coverage. The Medicaid provider is liable for the services provided  
26 and, if permitted by federal and state law, may charge the  
27 beneficiary for the services.

28 (m) A Medicaid provider that obtains a replacement surety  
29 bond from another surety to cover the remaining term of a  
30 previous bond shall:

31 (1) submit the new surety bond to the office at least thirty (30)  
32 days before the expiration of the previous surety bond; and

33 (2) ensure that there is no gap in coverage.

34 (n) If a Medicaid provider changes sureties during the term of  
35 the bond, the new surety is, beginning on the effective date of the  
36 surety, responsible for:

37 (1) a duplicate, erroneous, or false claim paid to; or

38 (2) an assessment imposed on;

39 the Medicaid provider by the office, plus interest. The previous  
40 surety is responsible for a duplicate, erroneous, or false claim paid  
41 to, or an assessment imposed on, the Medicaid provider during the  
42 effective date of the previous surety.

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1 (o) The office may require a Medicaid provider to show  
2 compliance with this section at any time.

3 (p) If a surety has paid the office for a liability incurred under  
4 the surety bond for a Medicaid provider, and the Medicaid  
5 provider subsequently is successful in appealing the determination  
6 of liability, the office shall refund the surety or Medicaid provider  
7 for the amount paid for the liability upon the completion of the  
8 appellate process.

9 SECTION 5. IC 12-15-22-1.5 IS AMENDED TO READ AS  
10 FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 1.5. In addition to any  
11 sanction imposed on a provider or an individual under section 1 of  
12 this chapter, a provider or an individual convicted of an offense under  
13 IC 35-43-5-7.1 is ineligible to participate in the Medicaid program for  
14 ten (10) years after the conviction.

15 SECTION 6. IC 12-15-22-2 IS AMENDED TO READ AS  
16 FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 2. A provider may  
17 appeal a sanction under IC 12-8-15 or section 1 of this chapter under  
18 rules concerning appeal that are adopted by the secretary under  
19 IC 4-22-2.

20 SECTION 7. IC 12-15-22-4 IS AMENDED TO READ AS  
21 FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 4. A final directive  
22 made by the office that:

- 23 (1) denies payment to a provider for medical services provided
- 24 during a specified period of time; or
- 25 (2) terminates a provider agreement permitting a provider's
- 26 participation in the Medicaid program; or
- 27 (3) excludes a provider from participating in the Medicaid
- 28 program;

29 must direct the provider to inform each eligible individual recipient of  
30 services, before services are provided, that the office or the office's  
31 contractor under IC 12-15-30 will not pay for those services if  
32 provided.

33 SECTION 8. IC 25-1-7-14 IS ADDED TO THE INDIANA CODE  
34 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
35 1, 2010]: Sec. 14. (a) If the board of a regulated occupation believes  
36 that a person who is not licensed, certified, or registered under this  
37 title is engaged in or is believed to be engaged in activities for  
38 which a license, certification, or registration is required under this  
39 title, the board may do the following:

- 40 (1) File a complaint with the attorney general, who shall
- 41 investigate and may file:
- 42 (A) with notice; or

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**(B) without notice, if the attorney general determines that the person is engaged in activities that may affect an individual's health or safety; a motion for a cease and desist order with the appropriate board.**

**(2) Upon review of the attorney general's motion for a cease and desist order, issue an order requiring the affected person to show cause why the person should not be ordered to cease and desist from such activities. The show cause order must set forth a time and place for a hearing at which the affected person may appear and show cause as to why the person should not be subject to licensing, certification, or registration under this title.**

**(b) If the board, after a hearing, determines that the activities in which the person is engaged are subject to licensing, certification, or registration under this title, the board may issue a cease and desist order that shall describe the person and activities that are the subject of the order.**

**(c) A hearing conducted under this section must comply with the requirements under IC 4-21.5.**

**(d) A cease and desist order issued under this section is enforceable in the circuit or superior courts. A person who is enjoined under a cease and desist order and who violates the order shall be punished for contempt of court.**

**(e) A cease and desist order issued under this section does not relieve any person from criminal prosecution.**

**SECTION 9. IC 25-1-9-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 14. (a) Except as provided in subsection (b), a practitioner may petition the board to accept the surrender of the practitioner's license instead of conducting a hearing before the board. The practitioner may not surrender the practitioner's license without the written approval of the board, and the board may impose any conditions appropriate to the surrender or reinstatement of a surrendered license.**

**(b) A board may not approve the surrender of a practitioner's license under subsection (a) if the office of the attorney general has:**

- (1) filed an administrative complaint concerning the practitioner's license; and**
- (2) notified the board of its opposition to the surrender of the practitioner's license.**

**SECTION 10. IC 25-4-2-10 IS AMENDED TO READ AS**

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1 FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 10. (a) Any person  
 2 who:  
 3 (1) renders or offers to render services to the public, if the words  
 4 "landscape architecture" or "registered landscape architecture" are  
 5 used to describe these services;  
 6 (2) uses the title "registered landscape architect" or "landscape  
 7 architect"; or  
 8 (3) engages in the practice of landscape architecture described in  
 9 section 1 of this chapter;  
 10 without a current registration issued under this chapter commits a Class  
 11 B infraction. A person who affixes a registered landscape architect's  
 12 seal to a plan, specification, or drawing that has not been prepared by  
 13 a currently registered landscape architect or under the immediate  
 14 supervision of a currently registered landscape architect commits a  
 15 Class B infraction.  
 16 (b) Each day a violation described in this section continues to occur  
 17 constitutes a separate offense.  
 18 (c) ~~The board may appear in its own name in the courts of the state  
 19 and apply for injunctions to prevent violations of this chapter.~~  
 20 SECTION 11. IC 25-10-1-14 IS AMENDED TO READ AS  
 21 FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 14. (a) This section  
 22 applies to all persons, including persons listed in IC 25-22.5-1-2.  
 23 (b) A person may manually manipulate, manually adjust, or  
 24 manually mobilize the spinal column or the vertebral column of an  
 25 individual only if the person is:  
 26 (1) a chiropractor who has been issued a license under this  
 27 chapter;  
 28 (2) a physician who has been issued an unlimited license to  
 29 practice medicine under IC 25-22.5; or  
 30 (3) an osteopathic physician who has been issued a license to  
 31 practice osteopathic medicine under IC 25-22.5.  
 32 (c) A person may not delegate the manual manipulation, manual  
 33 adjustment, or manual mobilization of the spinal column or the  
 34 vertebral column of an individual to another person, unless the other  
 35 person is:  
 36 (1) licensed as a chiropractor under this chapter;  
 37 (2) licensed as a physician with an unlimited license to practice  
 38 medicine under IC 25-22.5;  
 39 (3) licensed as an osteopathic physician with a license to practice  
 40 osteopathic medicine under IC 25-22.5;  
 41 (4) a student in the final year of course work at an accredited  
 42 chiropractic school participating in a preceptorship program and

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1 working under the direct supervision of a chiropractor licensed  
 2 under this chapter; or  
 3 (5) a graduate of a chiropractic school who holds a valid  
 4 temporary permit issued under section 5.5 of this chapter.  
 5 (d) If a violation of subsection (b) or (c) is being committed:  
 6 (1) the board in its own name;  
 7 (2) the board in the name of the state; or  
 8 (3) the prosecuting attorney of the county in which the violation  
 9 occurs, at the request of the board and in the name of the state;  
 10 may apply for an order enjoining the violation from the circuit court of  
 11 the county in which the violation occurs.  
 12 ~~(e) Upon a showing that a person has violated subsection (b) or (c);~~  
 13 ~~the court may grant without bond an injunction, a restraining order, or~~  
 14 ~~other appropriate order.~~  
 15 ~~(f) (e) This section does not apply to a physical therapist practicing~~  
 16 ~~under IC 25-27. However, a physical therapist may not practice~~  
 17 ~~chiropractic (as defined in IC 25-10-1-1) or medicine (as defined in~~  
 18 ~~IC 25-22.5-1-1.1) unless licensed to do so.~~  
 19 SECTION 12. IC 25-15-8-19 IS AMENDED TO READ AS  
 20 FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 19. If a violation of any  
 21 of sections 21 through 26 of this chapter is being committed:  
 22 ~~(1) the board, in its own name~~  
 23 ~~(2) the board in the name of the state;~~  
 24 ~~(3) the attorney general in the name of the state; at the request of~~  
 25 ~~the board; or~~  
 26 ~~(4) the prosecuting attorney of the county in which the violation~~  
 27 ~~occurs; at the request of the board; and in the name of the state;~~  
 28 **under IC 25-1-7-14, may apply for an order enjoining the violation.**  
 29 **from the circuit court of the county in which the violation occurs.**  
 30 SECTION 13. IC 25-27-1-12 IS AMENDED TO READ AS  
 31 FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 12. A person who  
 32 **recklessly, knowingly, or intentionally** violates this chapter commits  
 33 a Class B misdemeanor. ~~In addition the board may, in the name of the~~  
 34 ~~state, through the attorney general, apply in any court to enjoin any~~  
 35 ~~person from practicing physical therapy or acting as a physical~~  
 36 ~~therapist's assistant, in violation of IC 25-27-1-2.~~  
 37 SECTION 14. IC 25-30-1-21, AS AMENDED BY P.L.185-2007,  
 38 SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 39 JULY 1, 2010]: Sec. 21. (a) A person who violates this chapter  
 40 commits a Class A misdemeanor.  
 41 (b) A person violates this chapter if the person is not exempt under  
 42 section 5 of this chapter, does not have a private investigator firm

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1 license, and knowingly or intentionally:  
 2 (1) engages in the private investigator firm business;  
 3 (2) solicits or advertises for business as a private investigator  
 4 firm; or  
 5 (3) in any way represents to be a private investigator firm.  
 6 (c) In addition to any other fine imposed on the person, the court  
 7 shall fine the person convicted of an offense under subsection (b) the  
 8 amount of compensation earned by the person in the commission of the  
 9 offense. Notwithstanding IC 35-50-3-2, the total fine imposed under  
 10 this section may exceed ten thousand dollars (\$10,000) if necessary to  
 11 comply with this subsection.  
 12 (d) Each transaction under subsection (b) constitutes a separate  
 13 offense.  
 14 (e) A complaint for a violation of this chapter ~~or for an injunction~~  
 15 ~~under section 22 of this chapter~~ is sufficient if the complaint alleges  
 16 that a person on a specific day in a specific county:  
 17 (1) engages in business as a private investigator firm;  
 18 (2) solicited or advertised for business as a private investigator  
 19 firm; or  
 20 (3) represented to be a private investigator firm;  
 21 without a private investigator firm license.  
 22 (f) A person who knowingly or intentionally fails or refuses to  
 23 surrender a private investigator firm license issued under this chapter  
 24 when the license is revoked by the board commits a Class A  
 25 misdemeanor.  
 26 SECTION 15. IC 25-30-1.3-23, AS AMENDED BY P.L.3-2008,  
 27 SECTION 202, IS AMENDED TO READ AS FOLLOWS  
 28 [EFFECTIVE JULY 1, 2010]: Sec. 23. (a) A person who recklessly,  
 29 knowingly, or intentionally violates this chapter commits a Class A  
 30 misdemeanor.  
 31 (b) A person who is not exempt under section 6 of this chapter, who  
 32 does not have a security guard agency license, and who recklessly,  
 33 knowingly, or intentionally:  
 34 (1) engages in business as a security guard agency;  
 35 (2) solicits or advertises for business as a security guard agency;  
 36 or  
 37 (3) in any way represents to be a security guard agency;  
 38 commits a Class A misdemeanor.  
 39 (c) In addition to any other penalty imposed on the person, the court  
 40 shall fine a person convicted of an offense under subsection (b) the  
 41 amount of compensation earned by the person in the commission of the  
 42 offense. Notwithstanding IC 35-50-3-2, the total fine imposed under

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1 this section may exceed ten thousand dollars (\$10,000) if necessary to  
2 comply with this subsection.

3 (d) Each transaction under subsection (b) constitutes a separate  
4 offense.

5 (e) A complaint for a violation of this chapter ~~or for an injunction~~  
6 ~~under section 24 of this chapter~~ is sufficient if the complaint alleges  
7 that a person or business entity on a specific day in a specific county:

- 8 (1) engaged in business as a security guard agency;
  - 9 (2) solicited or advertised for business as a security guard agency;
  - 10 or
  - 11 (3) represented to be a security guard agency;
- 12 without a security guard agency license.

13 (f) A person who recklessly, knowingly, or intentionally fails or  
14 refuses to surrender a security guard agency license issued under this  
15 chapter when the license is revoked by action of the board commits a  
16 Class A misdemeanor.

17 SECTION 16. IC 25-34.1-6-2 IS AMENDED TO READ AS  
18 FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 2. (a) A person who:

- 19 (1) performs the acts of a salesperson without a salesperson  
20 license;
- 21 (2) performs the acts of a broker without a broker license; or
- 22 (3) conducts, or solicits or accepts enrollment of students for, a  
23 course as prescribed in IC 25-34.1-3 without course approval;

24 commits a Class A infraction. Upon conviction for an offense under  
25 this section, the court shall add to any fine imposed, the amount of any  
26 fee or other compensation earned in the commission of the offense.  
27 Each transaction constitutes a separate offense.

28 (b) In all actions for the collection of a fee or other compensation for  
29 performing acts regulated by this article, it must be alleged and proved  
30 that, at the time the cause of action arose, the party seeking relief was  
31 not in violation of this section.

32 (c) ~~The commission may issue a cease and desist order to prevent~~  
33 ~~violations of this section:~~

34 (1) ~~If the commission determines that a person is violating this~~  
35 ~~section, or is believed to be violating this section, the commission~~  
36 ~~may issue an order to that person setting forth the time and place~~  
37 ~~for a hearing at which the affected person may appear and show~~  
38 ~~cause as to why the challenged activities are not in violation of~~  
39 ~~this section:~~

40 (2) ~~After an opportunity for hearing, if the commission determines~~  
41 ~~that the person is violating this section, the commission shall~~  
42 ~~issue a cease and desist order which shall describe the person and~~

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activities which are the subject of the order.

(3) A cease and desist order issued under this section is enforceable in the circuit courts of this state.

(d) The attorney general, the commission, or the prosecuting attorney of any county in which a violation occurs may maintain an action in the name of the state to enjoin a person from violating this section:

(e) In charging any person in a complaint for an injunction or in affidavit, information, or indictment with the violation of the provisions of this section, it is sufficient, without averring any further or more particular facts, to charge that the person upon a certain day and in a certain county either acted as a real estate broker or salesperson not having a license or conducted, or solicited or accepted enrollment of students for, a broker or salesperson course without course approval.

(f) (c) Each enforcement procedure established in this section **and IC 25-1-7-14** is supplemental to other enforcement procedures established in this section.

SECTION 17. IC 25-34.1-8-12, AS AMENDED BY P.L.3-2008, SECTION 204, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 12. (a) A person who:

(1) performs:

(A) the acts of a licensed real estate appraiser without a license; or

(B) the acts of a certified real estate appraiser without a certificate; or

(2) conducts or solicits or accepts enrollment of students for a course without course approval as required by section 13 of this chapter;

commits a Class B infraction. When a judgment is entered for an offense under this section, the court shall add to any fine imposed the amount of any fee or other compensation earned in the commission of the offense. Each transaction constitutes a separate offense.

(b) In all actions for the collection of a fee or other compensation for performing acts regulated by this article, a party seeking relief must allege and prove that at the time the cause of action arose the party was not in violation of this section.

(c) The attorney general, the board, or the prosecuting attorney of any county in which a violation occurs may maintain an action in the name of the state of Indiana to enjoin a person from violating this section:

(d) In charging any person in a complaint for a judgment or an injunction for the violation of this section, it is sufficient, without

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1 averring any further or more particular facts, to charge that the person  
2 upon a certain day and in a certain county:

3 (1) acted as:

4 (A) a certified real estate appraiser without a certificate; or

5 (B) a licensed real estate appraiser without a license; or

6 (2) conducted, or solicited or accepted enrollment of students for  
7 a real estate appraiser course without course approval:

8 (e) (c) Each enforcement procedure established in this section **and**  
9 **IC 25-1-7-14** is supplemental to other enforcement procedures  
10 established in this section.

11 SECTION 18. IC 25-34.5-3-2 IS AMENDED TO READ AS  
12 FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 2. A person who  
13 **recklessly, knowingly, or intentionally** violates this chapter commits  
14 a Class B misdemeanor. ~~In addition to any other penalty imposed for~~  
15 ~~a violation of this chapter, the board may, in the name of the state of~~  
16 ~~Indiana through the attorney general, petition a circuit or superior court~~  
17 ~~to enjoin the person who is violating this chapter from practicing~~  
18 ~~respiratory care in violation of this chapter.~~

19 SECTION 19. IC 35-48-3-5, AS AMENDED BY P.L.197-2007,  
20 SECTION 93, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
21 JULY 1, 2010]: Sec. 5. (a) An application for registration or  
22 re-registration submitted pursuant to and a registration issued under  
23 section 3 of this chapter to manufacture, distribute, or dispense a  
24 controlled substance may be denied, suspended, or revoked by the  
25 board upon a finding by the advisory committee that the applicant or  
26 registrant:

27 (1) has furnished false or fraudulent material information in any  
28 application filed under this article;

29 (2) has violated any state or federal law relating to any controlled  
30 substance;

31 (3) has had his federal registration suspended or revoked to  
32 manufacture, distribute, or dispense controlled substances; or

33 (4) has failed to maintain reasonable controls against diversion of  
34 controlled substances into other than legitimate medical,  
35 scientific, or industrial channels.

36 (b) The board may limit revocation or suspension of a registration  
37 or the denial of an application for registration or re-registration to the  
38 particular controlled substance with respect to which grounds for  
39 revocation, suspension, or denial exist.

40 (c) If the board suspends or revokes a registration or denies a  
41 application for re-registration, all controlled substances owned or  
42 possessed by the registrant at the time of suspension or the effective

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1 date of the revocation or denial order may be placed under seal. The  
2 board may require the removal of such substances from the premises.  
3 No disposition may be made of substances under seal until the time for  
4 taking an appeal has elapsed or until all appeals have been concluded  
5 unless a court, upon application therefor, orders the sale of perishable  
6 substances and the deposit of the proceeds of the sale with the court.  
7 Upon a revocation or denial order becoming final, all controlled  
8 substances may be forfeited to the state.

9 (d) The board shall promptly notify the drug enforcement  
10 administration of all orders suspending or revoking registration, all  
11 orders denying any application for registration or re-registration, and  
12 all forfeitures of controlled substances.

13 (e) If the Drug Enforcement Administration terminates, denies,  
14 suspends, or revokes a federal registration for the manufacture,  
15 distribution, or dispensing of controlled substances, a registration  
16 issued by the board under this chapter is automatically suspended.

17 (f) The board may reinstate a registration that has been suspended  
18 under subsection (e), after a hearing, if the board is satisfied that the  
19 applicant is able to manufacture, distribute, or dispense controlled  
20 substances with reasonable skill and safety to the public. As a condition  
21 of reinstatement, the board may impose disciplinary or corrective  
22 measures authorized under IC 25-1-9-9 or this article.

23 **(g) If any state license authorizing the dispenser to act as a  
24 practitioner is revoked, the registration issued under this chapter  
25 is automatically revoked.**

26 SECTION 20. IC 34-30-2-2.5 IS ADDED TO THE INDIANA  
27 CODE AS A NEW SECTION TO READ AS FOLLOWS  
28 [EFFECTIVE JULY 1, 2010]: **Sec. 2.5. IC 4-6-14-11 (Concerning the  
29 attorney general for destroying or failing to maintain custody and  
30 control of certain records).**

31 SECTION 21. IC 35-48-7-8.1, AS AMENDED BY  
32 P.L.182-2009(ss), SECTION 399, IS AMENDED TO READ AS  
33 FOLLOWS [EFFECTIVE JULY 1, 2010]: Sec. 8.1. (a) This section  
34 applies after June 30, 2007.

35 (b) The advisory committee shall provide for a controlled substance  
36 prescription monitoring program that includes the following  
37 components:

38 (1) Each time a controlled substance designated by the advisory  
39 committee under IC 35-48-2-5 through IC 35-48-2-10 is  
40 dispensed, the dispenser shall transmit to the INSPECT program  
41 the following information:

42 (A) The controlled substance recipient's name.

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- 1 (B) The controlled substance recipient's or the recipient
- 2 representative's identification number or the identification
- 3 number or phrase designated by the INSPECT program.
- 4 (C) The controlled substance recipient's date of birth.
- 5 (D) The national drug code number of the controlled substance
- 6 dispensed.
- 7 (E) The date the controlled substance is dispensed.
- 8 (F) The quantity of the controlled substance dispensed.
- 9 (G) The number of days of supply dispensed.
- 10 (H) The dispenser's United States Drug Enforcement Agency
- 11 registration number.
- 12 (I) The prescriber's United States Drug Enforcement Agency
- 13 registration number.
- 14 (J) An indication as to whether the prescription was
- 15 transmitted to the pharmacist orally or in writing.
- 16 (K) Other data required by the advisory committee.
- 17 (2) The information required to be transmitted under this section
- 18 must be transmitted not more than seven (7) days after the date on
- 19 which a controlled substance is dispensed.
- 20 (3) A dispenser shall transmit the information required under this
- 21 section by:
- 22 (A) uploading to the INSPECT web site;
- 23 (B) a computer diskette; or
- 24 (C) a CD-ROM disk;
- 25 that meets specifications prescribed by the advisory committee.
- 26 (4) The advisory committee may require that prescriptions for
- 27 controlled substances be written on a one (1) part form that
- 28 cannot be duplicated. However, the advisory committee may not
- 29 apply such a requirement to prescriptions filled at a pharmacy
- 30 with a Type II permit (as described in IC 25-26-13-17) and
- 31 operated by a hospital licensed under IC 16-21, or prescriptions
- 32 ordered for and dispensed to bona fide enrolled patients in
- 33 facilities licensed under IC 16-28. The committee may not require
- 34 multiple copy prescription forms for any prescriptions written.
- 35 The advisory committee may not require different prescription
- 36 forms for any individual drug or group of drugs. Prescription
- 37 forms required under this subdivision must be jointly approved by
- 38 the committee and by the Indiana board of pharmacy established
- 39 by IC 25-26-13-3.
- 40 (5) The costs of the program.
- 41 **(c) A pharmacist, pharmacy technician, or person authorized by**
- 42 **a pharmacist to dispense a controlled substance may not dispense**

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1 a controlled substance to a person who is not personally known to  
2 the pharmacist, pharmacy technician, or person authorized by a  
3 pharmacist to dispense a controlled substance unless the person  
4 taking possession of the controlled substance provides documented  
5 proof of the person's identification to the pharmacist, pharmacy  
6 technician, or person authorized by a pharmacist to dispense a  
7 controlled substance.

8 SECTION 22. THE FOLLOWING ARE REPEALED [EFFECTIVE  
9 JULY 1, 2010]: IC 25-2.1-13-1; IC 25-6.1-7-3; IC 25-14-1-14;  
10 IC 25-19-1-14; IC 25-20.2-8-4; IC 25-20.5-1-26; IC 25-21.5-11-1;  
11 IC 25-21.5-11-2; IC 25-22.5-8-4; IC 25-23-1-27.2; IC 25-24-1-19;  
12 IC 25-26-13-28; IC 25-30-1-19.5; IC 25-30-1-22; IC 25-30-1.3-24;  
13 IC 25-31-1-29; IC 25-33-1-16; IC 25-38.1-4-12.

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## COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Health, to which was referred House Bill 1226, 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 1, delete lines 6 through 15, begin a new paragraph and insert:

**"Sec. 1. As used in this chapter, "abandoned" means voluntarily surrendered, relinquished, or disclaimed by the health care provider or regulated professional, with no intention of reclaiming or regaining possession.**

**Sec. 2. As used in this chapter, "health care provider" means a person listed in IC 16-39-7-1(a)(1) through IC 16-39-7-1(a)(11).**

**Sec. 3. As used in this chapter, "personal information" has the meaning set forth in IC 24-4.9-2-10.**

**Sec. 4. As used in this chapter, "regulated professional" means an individual who is regulated by a board listed under IC 25-1-11-1.**

**Sec. 5. The attorney general may do the following with abandoned health records and other records that contain personal information:**

- (1) Take possession of.**
- (2) Store.**
- (3) Maintain.**
- (4) Transfer.**
- (5) Protect.**
- (6) Destroy, subject to the limitations in sections 8(b) and 9(b) of this chapter.**

**Sec. 6. Before taking any action described in section 5 of this chapter, the attorney general shall determine whether a health care provider or regulated professional has abandoned original patient health records in violation of IC 16-39-7-1(b) or records containing personal information in violation of IC 24-4.9.**

**Sec. 7. (a) The attorney general shall make reasonable efforts to notify the patients and those individuals identified in:**

- (1) health records; or**
  - (2) records or documents that contain personal information;**
- that the attorney general has taken possession of the records or documents. The notice in this subsection must include information about the procedure for either obtaining originals or copies of the records or having the original records sent to a duly authorized subsequent treating health care provider.**

**(b) Unless prohibited by law, the attorney general may also**

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notify other persons, including professional organizations, hospitals, law enforcement agencies, and government units, who:

- (1) may be able to assist in notifying persons whose records were abandoned and secured by the attorney general under this chapter; and
- (2) when appropriate, may be able to assist in returning the records to those persons.

**Sec. 8. (a)** The attorney general shall maintain an original patient health record obtained under section 5 of this chapter for the lesser of the following:

- (1) The time required under IC 16-39-7-1 and IC 16-39-7-2.
- (2) Three (3) years after the date the records are secured.

(b) When the time expires under subsection (a), the attorney general may destroy the original patient records obtained under section 5 of this chapter.

**Sec. 9. (a)** The attorney general shall maintain records that are not health records but contain personal information for at least three (3) years after the date the records are seized or secured.

(b) When the time expires under subsection (a) and after notification under section 7 of this chapter, the attorney general may destroy the records that contain personal information.

**Sec. 10. (a)** The health records and personal identifying information protection trust fund is established for the purpose of paying storage, maintenance, copying, mailing, and transfer of:

- (1) patient health records; and
- (2) records containing personal information;

as required under this chapter. Expenditures from the trust fund may be made only to carry out the purposes of this subsection.

(b) Subject to subsection (c), if a health care provider or a regulated professional is disciplined under IC 25-1-9 or IC 25-1-11, the board that issues the disciplinary order shall impose a fee against the individual of five dollars (\$5). The fee must be deposited into the health records and personal identifying information protection trust fund.

(c) If the amount in the health records and personal identifying information protection trust fund exceeds seventy-five thousand dollars (\$75,000), the fee imposed under subsection (b) may not be imposed on an individual who is subject to a disciplinary order.

(d) The attorney general shall administer the trust fund.

(e) The expenses of administering the trust fund shall be paid from the money in the fund.

(f) The treasurer of state shall invest the money in the trust fund

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not currently needed to meet the obligations of the fund in the same manner as other public money may be invested.

(g) Money in the trust fund at the end of a state fiscal year does not revert to the state general fund.

Sec. 11. The attorney general is immune from civil liability for destroying or failing to maintain custody and control of any record obtained under this chapter.

Sec. 12. The following may cooperate with the attorney general's office to implement this chapter:

- (1) The Indiana professional licensing agency and the appropriate board that regulates a health care provider or a regulated professional under IC 25.
- (2) The state police department.
- (3) A prosecuting attorney.
- (4) Local law enforcement agencies.
- (5) Federal law enforcement agencies.

Sec. 13. The attorney general may adopt rules under IC 4-22-2 that are necessary to administer and implement this chapter.

Sec. 14. A determination by the attorney general that health records or other records that contain personal information have been abandoned is subject to review in a circuit or superior court. A person who seeks to enforce this section must first notify the attorney general of the intention to seek judicial review."

Delete pages 2 through 3.

Page 4, delete lines 1 through 23.

Page 4, line 24, delete "IC 12-8-15" and insert "IC 12-15-11-1.5".

Page 4, line 25, delete "CHAPTER" and insert "SECTION".

Page 4, line 26, after ":" insert "**Sec. 1.5. (a) The office shall exclude the following**".

Page 4, delete lines 27 through 29.

Page 4, line 30, delete "a state administered health care" and insert "**the Medicaid**".

Page 4, run in lines 26 through 30.

Page 4, line 33, delete "federal" and insert "**Medicaid**".

Page 4, delete line 34.

Page 4, delete lines 39 through 42, begin a new paragraph and insert:

**"(b) The office may exclude a person who meets at least one (1) of the following from participating in the Medicaid program:"**

Page 5, delete lines 1 through 7.

Page 5, line 8, delete "(C)", begin a new line block indented and insert:

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"(1)".

Page 5, line 13, delete "(D)", begin a new line block indented and insert:

"(2)".

Page 5, line 20, delete "(E)", begin a new line block indented and insert:

"(3)".

Page 5, line 24, delete "(i)", begin a new line double block indented and insert:

"(A)".

Page 5, line 25, delete "(ii)", begin a new line double block indented and insert:

"(B)".

Page 5, line 26, delete "(iii)", begin a new line double block indented and insert:

"(C)".

Page 5, line 27, delete "(F)", begin a new line block indented and insert:

"(4)".

Page 5, line 29, delete "(i)", begin a new line double block indented and insert:

"(A)".

Page 5, line 31, delete "(ii)", begin a new line double block indented and insert:

"(B)".

Page 5, line 35, delete "(iii)", begin a new line double block indented and insert:

"(C)".

Page 5, line 37, delete "(G)", begin a new line block indented and insert:

"(5)".

Page 5, line 38, delete "unless" and insert "**and the collection of the amount is prohibited**".

Page 5, line 39, delete "expressly authorized".

Page 5, line 40, delete "Sec. 2.", begin a new paragraph and insert:

"SECTION 3. IC 12-15-11-1.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2010]: **Sec. 1.7.**".

Page 5, line 42, delete "who owns or controls" and insert "**with an ownership or control interest in the business of the person or in any subcontractor in which the business of the person has a direct or indirect ownership of**".



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Page 6, line 4, delete "described in section 1" and insert "**excluded under section 1.5**".

Page 6, line 5, delete "a state administered health care" and insert "**the Medicaid**".

Page 6, line 7, delete "described in section 1" and insert "**excluded under section 1.5**".

Page 6, line 7, after "chapter" insert ", **including names of persons provided by the office of the attorney general**".

Page 6, line 10, delete "Sec. 3." and insert "(c)".

Page 6, line 10, after "in" delete "a".

Page 6, line 11, delete "state administered health care" and insert "**the Medicaid**".

Page 6, line 11, delete "1" and insert "**1.5(a)**".

Page 6, line 13, delete "." and insert "**not earlier than five (5) years after the person has been excluded**".

**(d) A person that has been excluded from participating in the Indiana Medicaid program under section 1.5(b) of this chapter may apply to the office of the secretary in writing for reinstatement in a manner prescribed by the office of the secretary not earlier than one (1) year after the person has been excluded.**

Page 6, line 16, delete "A person:" and insert "**This section does not apply to the following durable medical equipment suppliers:**

**(1) A person who is licensed or certified by a board listed in IC 25-1-9-1.**

**(2) A person who has a surety bond under the Medicare program to sell durable medical equipment.**

**(3) A retail facility that contains a pharmacy that has a permit issued under IC 25-26-13.**

**(b) As used in this section, "durable medical equipment" does not include optical equipment.**

**(c) Except as provided in subsection (g), a transportation supplier or durable medical equipment supplier:"**

Page 6, line 24, delete "a" and insert "**an authorized**".

Page 6, line 24, delete "bond" and insert "**bond, as determined by the office of the secretary,**".

Page 6, line 25, delete "subsection (d) and in the amount of fifty thousand dollars" and insert "**subsections (f) and (g)**".

Page 6, line 26, delete "(\$50,000)".

Page 6, line 28, delete "(b)" and insert "**(d)**".

Page 6, line 28, delete "a person" and insert "**and except as provided in subsection (g), a transportation supplier or durable medical equipment supplier**".

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Page 6, line 29, delete "a" and insert "**an authorized**".

Page 6, line 29, after "bond" insert "**, as determined by the office of the secretary, and that meets the requirements under subsections (f) and (g),**".

Page 6, line 30, delete "in the amount of fifty thousand dollars (\$50,000)".

Page 6, line 32, delete "(c)" and insert "(e)".

Page 6, line 32, delete "(a) or (b)" and insert "**(c) or (d)**".

Page 6, line 33, delete "a Medicaid provider applicant or a Medicaid provider" and insert "**a transportation supplier or durable medical equipment supplier that is a Medicaid provider applicant or provider**".

Page 6, line 34, after "additional" insert "**authorized**".

Page 6, line 34, after "bond" insert "**, as determined by the office of the secretary,**".

Page 6, line 34, after "each" insert ":

- (1) criminal conviction;**
- (2) civil judgment; or**
- (3) exclusion action under this chapter, 42 U.S.C. 1320a-7, or 42 U.S.C. 1320c-5;"**

Page 6, line 35, delete "adverse judgment or final order".

Page 6, line 35, block left beginning with "related".

Page 6, line 38, delete "(d)" and insert "(f)".

Page 7, line 28, delete "(e)" insert "**(g) A transportation provider or durable medical equipment provider that states on the Medicaid application or renewal form that the provider bills or expects to bill less than fifty thousand dollars (\$50,000) annually under the Medicaid program is not required to obtain a surety bond. A transportation or durable medical equipment provider that states on the Medicaid application or renewal form that the provider bills or expects to bill the following amounts shall file the following surety bond:**

- (1) More than fifty thousand dollars (\$50,000) but less than two hundred fifty thousand dollars (\$250,000), a surety bond in the amount of twenty-five thousand dollars (\$25,000).**
- (2) Two hundred fifty thousand dollars (\$250,000) or more, a surety bond in the amount of fifty thousand dollars (\$50,000).**

**(h) If a transportation or durable medical equipment provider bills more than the amount set forth on the provider's application or renewal form under subsection (g) during the year in which the surety bond filed with the office of the secretary applies, the provider shall obtain an updated surety bond that complies with**

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**the billing amounts and corresponding surety bond coverage amounts described in subsection (g).**

**(i)**".

Page 7, line 31, delete "(f)" and insert "**(j)**".

Page 7, line 40, delete "(g)" and insert "**(k)**".

Page 7, line 42, delete "(h)" and insert "**(l)**".

Page 7, line 42, delete "(g)" and insert "**(k)**".

Page 8, line 7, delete "(i)" and insert "**(m)**".

Page 8, line 13, delete "(j)" and insert "**(n)**".

Page 8, line 22, delete "(k)" and insert "**(o)**".

Page 8, line 24, delete "(l)" and insert "**(p)**".

Page 17, line 7, delete "IC 4-6-14-10" and insert "**IC 4-6-14-11**".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1226 as introduced.)

BROWN C, Chair

Committee Vote: yeas 8, nays 1.

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**Y**

