

SENATE BILL No. 510

DIGEST OF INTRODUCED BILL

Citations Affected: IC 12-15-11-2.5.

Synopsis: Medicaid transportation providers. Requires a transportation provider that applies to enroll in the Medicaid program to file with the office of Medicaid policy and planning a surety bond to be used for specified purposes.

Effective: July 1, 2011.

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January 18, 2011, read first time and referred to Committee on Health and Provider Services.

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First Regular Session 117th General Assembly (2011)

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 *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2010 Regular Session of the General Assembly.

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SENATE BILL No. 510



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 12-15-11-2.5 IS ADDED TO THE INDIANA
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2011]: **Sec. 2.5. (a) As used in this section,**
4 **"transportation provider" means a person:**
5 (1) **that is a common carrier, including a taxi;**
6 (2) **that:**
7 (A) **is enrolled; or**
8 (B) **applies for enrollment;**
9 **in the Medicaid program as a Medicaid provider to render**
10 **transportation services to Medicaid recipients; and**
11 (3) **that is not a nonprofit organization exempt from taxation**
12 **under Section 501(c)(3) of the Internal Revenue Code.**
13 (b) **A transportation provider that applies for enrollment as a**
14 **Medicaid provider:**
15 (1) **as a new applicant;**
16 (2) **due to a change in ownership of a transportation provider**
17 **currently enrolled; or**



1 (3) due to a purchase or transfer of the assets of a
 2 transportation provider currently enrolled;
 3 shall, at the time the transportation provider files a provider
 4 agreement with the office, submit to the office a surety bond that
 5 meets the requirements of subsection (d) and is issued by a surety
 6 that is authorized by the office of the secretary.

7 (c) The secretary may waive the surety bond requirement of
 8 subsection (b) for a transportation provider if, in the secretary's
 9 sole discretion, the secretary determines that the transportation
 10 provider renders or will render transportation services in an
 11 underserved area, as classified by applicable federal or state
 12 designations.

13 (d) The following apply to a surety bond filed with the office
 14 under this section:

15 (1) The surety bond must be continuously in effect for at least
 16 three (3) years after the application is made as described in
 17 subsection (b).

18 (2) The surety bond must provide coverage for liability of at
 19 least fifty thousand dollars (\$50,000).

20 (3) The surety bond must name the:
 21 (A) transportation provider as the principal;
 22 (B) office as the obligee; and
 23 (C) person that issues the surety bond, including the
 24 person's heirs, executors, administrators, successors, and
 25 assignees, jointly and severally, as surety.

26 (4) The surety bond must provide the surety's name, street
 27 address or post office box number, city, state, and ZIP code.

28 (5) The surety bond must provide that the surety is liable
 29 under the surety bond for a duplicate, erroneous, or false
 30 Medicaid claim paid by the office or its fiscal agent to the
 31 transportation provider during the term of the surety bond.

32 (6) The surety bond must guarantee that the surety will, not
 33 later than thirty (30) days after the surety receives written
 34 notice from the office containing sufficient evidence to
 35 establish the surety's liability under the surety bond as
 36 described in subdivision (5), pay to the office the following
 37 amounts, not to exceed the full amount of the surety bond:

38 (A) The amount of the duplicate, erroneous, or false claim
 39 that was previously paid by the office or its fiscal agent to
 40 the transportation provider, plus accrued interest.

41 (B) An assessment imposed under IC 12-15-22 by the office
 42 on the transportation provider.

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- 1 **(7) The surety bond must provide that if the transportation**
- 2 **provider's provider agreement is not renewed or is**
- 3 **terminated, the surety bond submitted by the transportation**
- 4 **provider remains in effect until the last day of the surety bond**
- 5 **coverage period and the surety remains liable for a duplicate,**
- 6 **erroneous, or false claim paid by the office or its fiscal agent**
- 7 **to the transportation provider during the term of the surety**
- 8 **bond.**
- 9 **(8) The surety bond must provide that actions under the**
- 10 **surety bond may be brought by the office or the attorney**
- 11 **general.**
- 12 **(e) The office may revoke or deny a provider agreement for a**
- 13 **transportation provider's failure to comply with this section.**
- 14 **(f) The office may revoke a provider agreement if a**
- 15 **transportation provider cancels a surety bond required by this**
- 16 **section.**
- 17 **(g) The office or its designee may, at any time, require a**
- 18 **transportation provider to demonstrate compliance with this**
- 19 **section.**
- 20 **(h) If:**
- 21 **(1) a surety has paid the office for a liability incurred under**
- 22 **a surety bond under this section; and**
- 23 **(2) the transportation provider is subsequently successful in**
- 24 **appealing the determination of liability;**
- 25 **the office shall, upon completion of the appellate process, refund**
- 26 **the surety or the transportation provider the full amount paid for**
- 27 **the liability.**

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