

HOUSE BILL No. 1230

DIGEST OF INTRODUCED BILL

Citations Affected: IC 12-15-11-8.

Synopsis: Medicaid transportation provider surety bonds. Requires certain Medicaid transportation providers to have a \$50,000 surety bond. Provides that the office of Medicaid policy and planning may seek payment from the surety for overpayments and false claims.

Effective: July 1, 2011.

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January 12, 2011, read first time and referred to Committee on Public Health.

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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 a statute 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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HOUSE BILL No. 1230



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 12-15-11-8 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2011]: **Sec. 8. (a) Except as provided in subsection (b), this**
4 **section applies only to a transportation provider that is enrolled in**
5 **or has applied to enroll in any of the following Medicaid provider**
6 **specialties:**
7 (1) **Common carrier ambulatory.**
8 (2) **Common carrier nonambulatory.**
9 (3) **Taxi.**
10 **(b) This section does not apply to a transportation provider that**
11 **is:**
12 (1) **exempt from federal taxation under Section 501(c)(3) of**
13 **the Internal Revenue Code; or**
14 (2) **at the discretion of the secretary, granted a waiver of the**
15 **bond requirement under subsection (c) to provide**
16 **transportation services in a federal or state designated**
17 **underserved area.**



1 (c) Beginning January 1, 2012, a person shall submit a surety
2 bond that meets the requirements under subsection (d) to the office
3 or the office's designee when the person files a Medicaid provider
4 agreement under any of the following conditions:

5 (1) The person is enrolling in the Medicaid program as a
6 transportation provider.

7 (2) The person is changing the ownership of an existing
8 transportation provider.

9 (3) The person is purchasing or transferring the assets or
10 ownership interests of an existing Medicaid provider and is
11 enrolling as a transportation provider in the Medicaid
12 program.

13 (4) The person is currently enrolled as a Medicaid
14 transportation provider and requests a new unique Medicaid
15 provider number.

16 (d) A surety bond filed under this section must meet the
17 following requirements:

18 (1) Name the Medicaid transportation provider as the
19 principal, the office as the obligee, and the company providing
20 the bond, including the company's successors, as the surety.

21 (2) Bond the Medicaid transportation provider in the amount
22 of fifty thousand dollars (\$50,000).

23 (3) Be continuous for three (3) years beginning from the date
24 of the start of a condition listed in subsection (c)(1) through
25 (c)(4).

26 (4) Provide that the office may proceed against the bond for
27 Medicaid overpayments or false Medicaid claims submitted
28 by the transportation provider and paid by the office or the
29 office's designee during the term of the bond.

30 (5) Guarantee that the surety will, not later than thirty (30)
31 days after receiving written notice from the office, pay the
32 following amounts not to exceed the full amount of the bond:

33 (A) The amount of a Medicaid overpayment paid by the
34 office to the transportation provider, plus accrued interest.

35 (B) The amount of a false Medicaid claim paid by the office
36 to the transportation provider, plus accrued interest.

37 (6) Provide that if the transportation provider's Medicaid
38 provider agreement is not renewed or terminated, the:

39 (A) transportation provider's bond remains in effect until
40 the end of the surety bond coverage period; and

41 (B) surety remains liable for Medicaid overpayments and
42 false Medicaid claims submitted by the provider and paid

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- 1 by the office during the term of the bond.
- 2 (7) Provide that actions under the bond may be brought by
- 3 the office or the attorney general.
- 4 (8) Provide the surety's name, address, city, state, and postal
- 5 ZIP code.
- 6 (e) The office may revoke or deny a Medicaid provider
- 7 agreement if a transportation provider fails to comply with this
- 8 section.
- 9 (f) The office may revoke a Medicaid provider agreement if a
- 10 transportation provider cancels the provider's bond.
- 11 (g) A transportation provider shall show compliance with this
- 12 section on request by the office or the office's designee.
- 13 (h) If a surety has paid the office for a liability incurred under
- 14 the surety bond for a transportation provider, and the
- 15 transportation provider subsequently is successful in appealing the
- 16 determination of liability, the office shall refund the surety for the
- 17 amount paid after the appeal process has been completed.

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