
HOUSE BILL No. 1280

DIGEST OF INTRODUCED BILL

Citations Affected: IC 2-5-26-16; IC 5-22-9-2.5; IC 12-7-2-126.9; IC 12-15; IC 12-21-6.5-8.5.

Synopsis: Health disparities in Medicaid. Requires a managed care organization (MCO) that contracts with the office of Medicaid policy and planning (OMPP) to do the following: (1) Report to the select joint commission on Medicaid oversight (commission) concerning the MCO's culturally and linguistically appropriate services (CLAS) standards plan and the progress in implementing these standards. (2) Implement standards concerning CLAS and encourage practices that are more culturally and linguistically accessible. (3) Develop and administer a community based health disparities advisory council. Requires that a request for proposals must include criteria evaluating the MCO's cultural competency in working with minority populations, and requires preferences to be awarded in the bidding process to an MCO that shows evidence of cultural competency. Requires OMPP to: (1) annually report specified information to the legislative council, the commission, and the commission on mental health; (2) beginning January 1, 2012, withhold a percentage of reimbursement from a managed care organization under specified circumstances; and (3) establish standards and guidelines and ensure continuity of care for Medicaid recipients who transfer from an MCO. Requires Medicaid contractors to establish certain quality initiatives. Requires the Indiana board of pharmacy to report to the commission during the 2011 interim concerning the feasibility and cost of requiring pharmacies to print prescription labels in foreign languages and the number of foreign languages the board would recommend.

Effective: Upon passage; July 1, 2011.

Crawford

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. 1280



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 2-5-26-16 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2011]: **Sec. 16. (a) As used in this section, "managed care
4 organization" has the meaning set forth in IC 12-7-2-126.9.**
5 **(b) Before October 1 of each year, a managed care organization
6 that has contracted with the office of Medicaid policy and planning
7 to provide Medicaid services under the risk based managed care
8 program shall report to the commission concerning the following:**
9 (1) **The managed care organization's culturally and
10 linguistically appropriate services (CLAS) standards plan,
11 including the managed care organization's progress in
12 implementing the standards.**
13 (2) **The progress of a contractor of the managed care
14 organization in implementing a culturally and linguistically
15 appropriate services standards plan.**
16 **(c) Before September 1 of each year, the office of Medicaid
17 policy and planning shall report to the commission orally and in**



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writing the following:

(1) The following information concerning Medicaid recipients by race, age, and gender:

- (A) Percentage spent on mental health services.
- (B) The number of hospitalizations for mental health related services.
- (C) The number and percentage of recipients receiving behavioral health screenings.
- (D) Average length of time between referral and access to mental health services.
- (E) The following behavioral health outcomes:
 - (i) Long term hospitalization.
 - (ii) Institutionalization, including group home placements.
 - (iii) Lengths of stays in items (i) and (ii).
 - (iv) Number of readmissions.

(2) Barriers to providing mental health services for racial ethnic minorities in the Medicaid program.

(3) Any quality improvement plans to increase identification, stabilization, and utilization of mental health services by Medicaid recipients.

(d) The reports required in this section shall be submitted to the commission in an electronic format under IC 5-14-6.

SECTION 2. IC 5-22-9-2.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: **Sec. 2.5.** In a request for proposals or a request for services by the office of Medicaid policy and planning concerning managed care organizations (as defined in IC 12-7-2-126.9) providing services for the Medicaid program under IC 12-15, the office of Medicaid policy and planning shall:

- (1) include as criteria that will be used in evaluating the proposals information concerning the managed care organization's cultural competency in working with minority populations in Indiana; and
- (2) award preferences to a managed care organization that provides evidence of cultural competency in working with minority populations.

SECTION 3. IC 12-7-2-126.9 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 126.9.** "Managed care organization", for purposes of IC 12-15, includes the following:

(1) A health maintenance organization established under

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IC 27-13-2 with which the office of Medicaid policy and planning has entered into a contract to provide services under the risk based managed care program.

(2) A person that contracts with the office or a person described in subdivision (1) to provide the administration or coordination of managed services, including the following:

- (A) A pharmacy benefit manager.**
- (B) A case management coordinator.**
- (C) A behavioral health services coordinator.**

SECTION 4. IC 12-15-1-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 14. (a) The office shall annually submit a report to the legislative council that covers all aspects of the office's evaluation, including the following:

- (1) The number and demographic characteristics of the individuals receiving Medicaid during the preceding fiscal year.**
- (2) The number of births during the preceding fiscal year.**
- (3) The number of infant deaths during the preceding fiscal year.**
- (4) The improvement in the number of low birth weight babies for the preceding fiscal year.**
- (5) The total cost of providing Medicaid during the preceding fiscal year.**
- (6) The total cost savings during the preceding fiscal year that are realized in other state funded programs because of providing Medicaid.**
- (7) The number of Medicaid recipients who transfer from a managed care organization to a different managed care organization under the Medicaid program, including the following:**
 - (A) The number of Medicaid recipients transferring out of each managed care organization.**
 - (B) The number of Medicaid recipients transferring into each managed care organization.**
 - (C) The following information regarding the transferring recipient:**
 - (i) Race.**
 - (ii) Reason for transfer.**
 - (iii) The health outcomes for each recipient during the six (6) months after the recipient transfers.**
- (8) The information required to be reported in IC 12-15-12-23.**

The report must be in an electronic format under IC 5-14-6.

(b) The office shall report the information required in

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1 subsection (a) in the aggregate and in a manner that protects
2 individual identifiable health information.

3 SECTION 5. IC 12-15-1-21 IS ADDED TO THE INDIANA CODE
4 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
5 1, 2011]: **Sec. 21. The office shall establish standards and guidelines
6 and ensure continuity of care for Medicaid recipients who transfer
7 from a managed care organization to another managed care
8 organization within the Medicaid program. Continuity of care
9 includes maintaining the same level of management and access to
10 programs.**

11 SECTION 6. IC 12-15-1-22 IS ADDED TO THE INDIANA CODE
12 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
13 1, 2011]: **Sec. 22. The office, or a person that has contracted with
14 the office to assist in the application or enrollment of individuals in
15 the Medicaid program, shall do the following:**

- 16 (1) Collect data on race and primary languages as a part of
17 the application and enrollment process.
- 18 (2) Provide the data collected under subdivision (1) to the
19 office or managed care organization providing the care to the
20 recipient.

21 SECTION 7. IC 12-15-12-23 IS ADDED TO THE INDIANA
22 CODE AS A NEW SECTION TO READ AS FOLLOWS
23 [EFFECTIVE JULY 1, 2011]: **Sec. 23. (a) A managed care
24 organization that has a contract with the office to provide
25 Medicaid services under the risk based managed care program
26 shall do the following:**

- 27 (1) Measure health disparities using Healthcare Effectiveness
28 Data and Information Set (HEDIS) standards.
- 29 (2) Implement standards concerning culturally and
30 linguistically appropriate services (CLAS) issued by the
31 federal Office of Minority Health within the United States
32 Department of Health and Human Services to encourage
33 practices that are more culturally and linguistically
34 accessible, including:
 - 35 (A) establishing and administering a written plan; and
 - 36 (B) reporting annually on the progress of the plan.
- 37 (3) Develop and administer a community based health
38 disparities advisory council as described in subsection (c). A
39 managed care organization may partner with other managed
40 care organizations in the establishment of the council
41 required under this subdivision.
- 42 (4) Complete two (2) health risk assessments for each

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1 recipient who has transferred from another managed care
2 organization to assist in measuring health outcomes of the
3 recipient as required by IC 12-15-1-14(a)(7)(C)(iii). The
4 health risk assessments must be completed as follows:

5 (A) The first health risk assessment must be completed not
6 later than fifteen (15) days after the transfer date.

7 (B) The second health risk assessment must be completed
8 not later than six (6) months after the transfer date.

9 (b) The managed care organization shall:

10 (1) provide the culturally and linguistically appropriate
11 services (CLAS) standards report required by subsection (a)
12 to the interagency state council on black and minority health
13 established by IC 16-46-6-3; and

14 (2) make the report available to the public upon request.

15 (c) The community based health disparities advisory council
16 developed by managed care organizations as required in subsection
17 (a)(3) must include the following:

18 (1) At least two (2) members who are minority (as defined in
19 IC 16-46-6-2) Medicaid recipients.

20 (2) Seventy-five percent (75%) of the members must be
21 individuals who are not employed by the managed care
22 organization, representing the following:

23 (A) Health care professionals.

24 (B) Advocates in the health and human services area.

25 (C) Individuals who provide direct services to risk based
26 managed care recipients.

27 (3) At least one (1) member representing each of the
28 following:

29 (A) The Indiana Minority Health Coalition.

30 (B) The commission on Hispanic/Latino affairs established
31 by IC 4-23-28-2.

32 (C) American Indian Center of Indiana.

33 (D) Asian Help Services.

34 (E) The Arc of Indiana.

35 (F) The Central Indiana Council on Aging.

36 (G) An entity that provides direct services to risk based
37 managed care recipients.

38 The council membership must reflect the population served.

39 (d) A community based health disparities advisory council shall
40 do the following:

41 (1) Provide input and assist the managed care organization in
42 the development and implementation of the culturally and

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1 linguistically appropriate services (CLAS) standards.
 2 (2) Review the annual assessment and evaluate whether the
 3 plan is improving minority health outcomes.
 4 (3) Review the annual report required by subsection (b)(1).
 5 (4) Approve stipend reimbursement for travel expenses,
 6 including mileage for council members who reside in a
 7 location other than where the council meeting is being held to
 8 travel to attend a council meeting.
 9 (e) A managed care organization shall pay for the costs of the
 10 managed care organization's community based health disparities
 11 advisory council.
 12 (f) Beginning January 1, 2012, the office shall withhold a
 13 percentage of reimbursement from a managed care organization
 14 based on a lack of progress by the managed care organization in
 15 improving health disparity outcomes.
 16 SECTION 8. IC 12-15-30-2 IS AMENDED TO READ AS
 17 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 2. (a) The office shall
 18 do the following:
 19 (1) Prepare requirements, including qualifications, for bidders
 20 offering to contract with the state to perform the functions under
 21 section 3 of this chapter.
 22 (2) Assist the Indiana department of administration in preparing
 23 bid specifications in conformity with requirements.
 24 (b) The office shall comply with IC 5-22-9-2.5 in preparing a bid
 25 for managed care organization services under the risk based
 26 managed care program.
 27 SECTION 9. IC 12-15-30-8 IS ADDED TO THE INDIANA CODE
 28 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 29 1, 2011]: Sec. 8. (a) A person that:
 30 (1) contracts with the office to provide direct services,
 31 including pharmacy vendors; and
 32 (2) receives reimbursement under Medicaid;
 33 shall implement at least two (2) quality improvement initiatives to
 34 reduce health disparities, at least one (1) of which addresses race,
 35 ethnic, or other geographic disparities.
 36 (b) The initiatives required in subsection (a) must do the
 37 following:
 38 (1) Include baseline data on individuals who receive services
 39 from the contractor.
 40 (2) Include measurable goals and outcomes.
 41 (3) Use a third party source to evaluate the contractor's
 42 initiatives.

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1 **(4) Be in one (1) of the following categories:**

2 **(A) Obstetrics.**

3 **(B) Asthma.**

4 **(C) Diabetes.**

5 **(D) Immunizations.**

6 **(E) Healthcare effectiveness data and information set.**

7 SECTION 10. IC 12-21-6.5-8.5 IS ADDED TO THE INDIANA
8 CODE AS A NEW SECTION TO READ AS FOLLOWS
9 [EFFECTIVE JULY 1, 2011]: **Sec. 8.5. (a) Before September 1 of**
10 **each year, the office of Medicaid policy and planning shall report**
11 **to the commission orally and in writing the following:**

12 **(1) The following information concerning Medicaid recipients**
13 **by race, age, and gender:**

14 **(A) Percentage spent on mental health services.**

15 **(B) The number of hospitalizations for mental health**
16 **related services.**

17 **(C) The number and percentage of recipients receiving**
18 **behavioral health screenings.**

19 **(D) Average length of time between referral and access to**
20 **mental health services.**

21 **(E) The following behavioral health outcomes:**

22 **(i) Long term hospitalization.**

23 **(ii) Institutionalization, including group home**
24 **placements.**

25 **(iii) Lengths of stays in items (i) and (ii).**

26 **(iv) Number of readmissions.**

27 **(2) Barriers to providing mental health services for racial**
28 **ethnic minorities in the Medicaid program.**

29 **(3) Any quality improvement plans to increase identification,**
30 **stabilization, and utilization of mental health services by**
31 **Medicaid recipients.**

32 **(b) The report required in this section shall be submitted to the**
33 **commission in an electronic format under IC 5-14-6.**

34 SECTION 11. [EFFECTIVE UPON PASSAGE] **(a) As used in this**
35 **SECTION, "office" refers to the office of Medicaid policy and**
36 **planning established by IC 12-8-6-1.**

37 **(b) If the office of Medicaid policy and planning has a request**
38 **for proposal or a request for services that:**

39 **(1) is in progress upon the passage of this act; and**

40 **(2) is affected by the requirements of IC 5-22-9-2.5, as added**
41 **by this act;**

42 **the office shall communicate the requirements of IC 5-22-9-2.5, as**

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1 added by this act, and the culturally and linguistically appropriate
 2 services (CLAS) standards to a person that has submitted a
 3 proposal for the request.
 4 (c) This SECTION expires December 31, 2011.
 5 SECTION 12. [EFFECTIVE UPON PASSAGE] (a) As used in this
 6 SECTION, "commission" refers to the select joint commission on
 7 Medicaid oversight established by IC 2-5-26-3.
 8 (b) The Indiana board of pharmacy shall report to the
 9 commission during the 2011 legislative interim concerning the
 10 feasibility and cost of requiring pharmacies to print prescription
 11 labels in foreign languages. The pharmacy board shall also report
 12 the number of foreign languages, if any, that the board would
 13 recommend to be required to be printed on a prescription drug
 14 label.
 15 (c) This SECTION expires December 31, 2011.
 16 SECTION 13. An emergency is declared for this act.

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