Reprinted
March 1, 2012

ENGROSSED
SENATE BILL No. 224

DIGEST OF SB 224 (Updated February 29, 2012 11:38 am - DI 104)

Citations Affected: IC 12-11; IC 25-22.5; IC 35-44; IC 36-1; noncode.

Synopsis: Various health and human services. Provides a process for approval of an entity that is approved by a national accrediting body to provide certain services under home and community based services waivers. Provides that a physician who is employed or under contract with certain county or city hospitals is considered to be a public servant who is not subject to certain conflict of interest prohibitions. Exempts the health and hospital corporation from following certain procedures in the sale, lease, or disposal of property. (Current law exempts the health and hospital corporation from following these procedures in the disposal of surplus property.) Adds the violations of failing to disclose, or negligently omitting, documentation requested for license renewal to the list of violations for which the medical licensing board of Indiana may investigate and assess a civil penalty against a physician. Requires the state department of health, the division of fire and building safety, and the Indiana emergency medical services commission to report to the health finance commission before October 1, 2012, concerning specified information on ambulances and emergency medical services. Requires the agencies to consult with entities that may be affected by a proposal being considered for the report.

Effective: July 1, 2012.

Miller, Gard, Rogers
(HOUSE SPONSORS — BROWN T, BROWN C)

January 4, 2012, read first time and referred to Committee on Health and Provider Services.
January 12, 2012, amended, reported favorably — Do Pass.
January 26, 2012, read second time, amended, ordered engrossed.
January 27, 2012, engrossed.
January 31, 2012, read third time, passed. Yeas 46, nays 4.

HOUSE ACTION

February 9, 2012, read first time and referred to Committee on Public Health.
February 23, 2012, amended, reported — Do Pass.
February 29, 2012, read second time, amended, ordered engrossed.

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Reprinted
March 1, 2012

Second Regular Session 117th General Assembly (2012)

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 2011 Regular Session of the General Assembly.

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ENGROSSED
SENATE BILL No. 224

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

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

SECTION 1. IC 12-11-1.1-1, AS AMENDED BY P.L.153-2011, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 1. (a) The bureau of developmental disabilities services is established within the division.

(b) The bureau shall plan, coordinate, and administer the provision of individualized, integrated community based services for individuals with a developmental disability and their families, within the limits of available resources. The planning and delivery of services must be based on future plans of the individual with a developmental disability rather than on traditional determinations of eligibility for discrete services, with an emphasis on the preferences of the individual with a developmental disability and that individual's family.

(c) Services for individuals with a developmental disability must be services that meet the following conditions:

(1) Are provided under public supervision.

(2) Are designed to meet the developmental needs of individuals with a developmental disability.

(3) Meet all required state and federal standards.

(4) Are provided by qualified personnel.

(5) To the extent appropriate, are provided in home and community based settings in which individuals without disabilities participate.

(6) Are provided in conformity with a service plan developed under IC 12-11-2.1-2.

(d) The bureau shall approve entities to provide community based services and supports **as follows:**

(1) Beginning July 1, 2011, the bureau shall ensure that an entity approved to provide day services, identified day habilitation, including facility based or community based habilitation, prevocational services, or ~~vocational~~ **employment** services under home and community based services waivers is accredited by ~~at least one (1) of the following organizations:~~

~~(1) The Commission on Accreditation of Rehabilitation Facilities (CARF), or its successor.~~

~~(2) The Council on Quality and Leadership In Supports for People with Disabilities, or its successor.~~

~~(3) The Joint Commission on Accreditation of Healthcare Organizations (JCAHO), or its successor.~~

~~(4) The National Committee for Quality Assurance, or its successor.~~

~~(5) The ISO-9001 human services QA system.~~

~~(6) An independent national accreditation organization approved by the secretary.~~ **an approved national accrediting body described in subsection (j).**

(2) Beginning July 1, 2012, the bureau shall ensure that an entity approved to provide residential habilitation and support services under home and community based services waivers is accredited by an approved national accrediting body. However, if an entity is accredited to provide home and community based services under subdivision (1) other than residential habitation and support services, the bureau may extend the time that the entity has to comply with this subdivision until the earlier of the following:

(A) The completion of the entity's next scheduled accreditation survey.

(B) July 1, 2015.

(e) **Subject to subsection (k),** the bureau shall **initially** approve, **reapprove,** and monitor community based residential, habilitation, and ~~vocational~~ **employment** service providers that provide alternatives to placement of individuals with a developmental disability in state

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institutions and health facilities licensed under IC 16-28 for individuals with a developmental disability. The services must simulate, to the extent feasible, patterns and conditions of everyday life that are as close as possible to normal. The community based service categories include the following:

(1) Supervised group living programs, which serve at least four (4) individuals and not more than eight (8) individuals, are funded by Medicaid, and are licensed by the community residential facilities council.

(2) Supported living service arrangements to meet the unique needs of individuals in integrated settings. Supported living service arrangements providing residential services may not serve more than four (4) unrelated individuals in any one (1) setting. However, the head of the bureau shall waive this limitation for a setting providing residential services to more than four (4) unrelated individuals in any one (1) setting if the setting was in existence on June 30, 1999.

(f) To the extent that services described in subsection (e) are available and meet the individual's needs, an individual is entitled to receive services in the least restrictive environment possible.

(g) Community based services under subsection (e)(1) or (e)(2) must consider the needs of and provide choices and options for:

(1) individuals with a developmental disability; and

(2) families of individuals with a developmental disability.

(h) The bureau shall administer a system of service coordination to carry out this chapter.

(i) The bureau may issue orders under IC 4-21.5-3-6 against a provider that violates rules issued by the bureau for programs in which the provider is providing services in accordance with section 11 of this chapter.

(j) For purposes of subsections (d) and (k), "approved national accrediting body" means any of the following:

(1) The Commission on Accreditation of Rehabilitation Facilities (CARF), or its successor.

(2) The Council on Quality and Leadership In Supports for People with Disabilities, or its successor.

(3) The Joint Commission on Accreditation of Healthcare Organizations (JCAHO), or its successor.

(4) The National Committee for Quality Assurance, or its successor.

(5) The ISO-9001 human services QA system.

(6) The Council on Accreditation, or its successor.

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(7) An independent national accreditation organization approved by the secretary.

(k) An entity that is accredited by an approved national accrediting body is not subject to reapproval surveys or routine monitoring surveys by the division, bureau, or bureau of quality improvement services, including any reapproval survey under a home and community based services waiver. However, the bureau may perform validation surveys and complaint investigations of an entity accredited by an approved national accrediting body.

SECTION 2. IC 25-22.5-2-8, AS ADDED BY P.L.149-2011, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 8. (a) The board shall implement a program to investigate and assess a civil penalty of not more than one thousand dollars ($1,000) against a physician licensed under this article for the following violations:

(1) Licensure renewal fraud.

(2) Improper termination of a physician and patient relationship.

(3) Practicing with an expired medical license.

(4) Providing office based anesthesia without the proper accreditation.

(5) Failure to perform duties required for issuing birth or death certificates.

(6) Failure to disclose, or negligent omission of, documentation requested for licensure renewal.

(b) An individual who is investigated by the board and found by the board to have committed a violation specified in subsection (a) may appeal the determination made by the board in accordance with IC 4-21.5.

(c) In accordance with the federal Health Care Quality Improvement Act (42 U.S.C. 11132), the board shall report a disciplinary board action that is subject to reporting to the National Practitioner Data Bank. However, the board may not report board action against a physician for only an administrative penalty described in subsection (a). The board's action concerning disciplinary action or an administrative penalty described in subsection (a) shall be conducted at a hearing that is open to the public.

(d) The physician compliance fund is established to provide funds for administering and enforcing the investigation of violations specified in subsection (a). The fund shall be administered by the Indiana professional licensing agency.

(e) The expenses of administering the physician compliance fund shall be paid from the money in the fund. The fund consists of penalties

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collected through investigations and assessments by the board concerning violations specified in subsection (a). Money in the fund at the end of a state fiscal year does not revert to the state general fund.

SECTION 3. IC 35-44-1-3, AS AMENDED BY P.L.110-2011, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 3. (a) The following definitions apply throughout this section:

(1) "Dependent" means any of the following:

(A) The spouse of a public servant.

(B) A child, stepchild, or adoptee (as defined in IC 31-9-2-2) of a public servant who is:

(i) unemancipated; and

(ii) less than eighteen (18) years of age.

(C) An individual more than one-half (1/2) of whose support is provided during a year by the public servant.

(2) "Governmental entity served by the public servant" means the immediate governmental entity being served by a public servant.

(3) "Pecuniary interest" means an interest in a contract or purchase if the contract or purchase will result or is intended to result in an ascertainable increase in the income or net worth of:

(A) the public servant; or

(B) a dependent of the public servant who:

(i) is under the direct or indirect administrative control of the public servant; or

(ii) receives a contract or purchase order that is reviewed, approved, or directly or indirectly administered by the public servant.

(b) A public servant who knowingly or intentionally:

(1) has a pecuniary interest in; or

(2) derives a profit from;

a contract or purchase connected with an action by the governmental entity served by the public servant commits conflict of interest, a Class D felony.

(c) It is not an offense under this section if:

(1) The public servant or the public servant's dependent receives compensation through salary or an employment contract for:

(A) services provided as a public servant; or

(B) expenses incurred by the public servant as provided by law.

(2) The public servant's interest in the contract or purchase and all other contracts and purchases made by the governmental entity during the twelve (12) months before the date of the contract or

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purchase was two hundred fifty dollars ($250) or less.

(3) The contract or purchase involves utility services from a utility whose rate structure is regulated by the state or federal government.

(4) The public servant:

(A) acts in only an advisory capacity for a state supported college or university; and

(B) does not have authority to act on behalf of the college or university in a matter involving a contract or purchase.

(5) A public servant under the jurisdiction of the state ethics commission (as provided in IC 4-2-6-2.5) obtains from the state ethics commission, following full and truthful disclosure, written approval that the public servant will not or does not have a conflict of interest in connection with the contract or purchase under IC 4-2-6 and this section. The approval required under this subdivision must be:

(A) granted to the public servant before action is taken in connection with the contract or purchase by the governmental entity served; or

(B) sought by the public servant as soon after the contract or purchase as the public servant becomes aware of the facts that give rise to a question of conflict of interest.

(6) A public servant who makes a disclosure that meets the requirements of subsection (d) or (e) and is:

(A) not a member or on the staff of the governing body empowered to contract or purchase on behalf of the governmental entity, and functions and performs duties for the governmental entity unrelated to the contract or purchase;

(B) appointed by an elected public servant;

(C) employed by the governing body of a school corporation and the contract or purchase involves the employment of a dependent or the payment of fees to a dependent;

(D) elected; or

(E) a member of, or a person appointed by, the board of trustees of a state supported college or university.

(7) The public servant is:

(A) a member of the governing board of; **or**

(B) a physician employed or contracted by;

a hospital organized or operated under IC 16-22-1 through IC 16-22-5 or IC 16-23-1.

(d) A disclosure must:

(1) be in writing;

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(2) describe the contract or purchase to be made by the governmental entity;
(3) describe the pecuniary interest that the public servant has in the contract or purchase;
(4) be affirmed under penalty of perjury;
(5) be submitted to the governmental entity and be accepted by the governmental entity in a public meeting of the governmental entity before final action on the contract or purchase;
(6) be filed within fifteen (15) days after final action on the contract or purchase with:
(A) the state board of accounts; and
(B) if the governmental entity is a governmental entity other than the state or a state supported college or university, the clerk of the circuit court in the county where the governmental entity takes final action on the contract or purchase; and
(7) contain, if the public servant is appointed, the written approval of the elected public servant (if any) or the board of trustees of a state supported college or university (if any) that appointed the public servant.

(e) This subsection applies only to a person who is a member of, or a person appointed by, the board of trustees of a state supported college or university. A person to whom this subsection applies complies with the disclosure requirements of this chapter with respect to the person's pecuniary interest in a particular type of contract or purchase which is made on a regular basis from a particular vendor if the individual files with the state board of accounts and the board of trustees a statement of pecuniary interest in that particular type of contract or purchase made with that particular vendor. The statement required by this subsection must be made on an annual basis.

SECTION 4. IC 36-1-11-1, AS AMENDED BY P.L.2-2006, SECTION 188, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 1. (a) Except as provided in subsection (b), this chapter applies to the disposal of property by:
(1) political subdivisions; and
(2) their agencies.

(b) This chapter does not apply to the following:
(1) The disposal of property under an urban homesteading program under IC 36-7-17.
(2) The lease of school buildings under IC 20-47.
(3) The sale of land to a lessor in a lease-purchase contract under IC 36-1-10.
(4) The disposal of property by a redevelopment commission

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established under IC 36-7.

(5) The leasing of property by a board of aviation commissioners established under IC 8-22-2 or an airport authority established under IC 8-22-3.

(6) The disposal of a municipally owned utility under IC 8-1.5.

(7) The sale or lease of property by a unit to an Indiana nonprofit corporation organized for educational, literary, scientific, religious, or charitable purposes that is exempt from federal income taxation under Section 501 of the Internal Revenue Code or the sale or reletting of that property by the nonprofit corporation.

(8) The disposal of surplus property by a hospital established and operated under IC 16-22-1 through IC 16-22-5, IC 16-22-8, IC 16-23-1, or IC 16-24-1.

(9) The sale or lease of property acquired under IC 36-7-13 for industrial development.

(10) The sale, lease, or disposal of property by a local hospital authority under IC 5-1-4.

(11) The sale or other disposition of property by a county or municipality to finance housing under IC 5-20-2.

(12) The disposition of property by a soil and water conservation district under IC 14-32.

(13) The **sale, lease, or** disposal of ~~surplus~~ property by the health and hospital corporation established and operated under IC 16-22-8.

(14) The disposal of personal property by a library board under IC 36-12-3-5(c).

(15) The sale or disposal of property by the historic preservation commission under IC 36-7-11.1.

(16) The disposal of an interest in property by a housing authority under IC 36-7-18.

(17) The disposal of property under IC 36-9-37-26.

(18) The disposal of property used for park purposes under IC 36-10-7-8.

(19) The disposal of textbooks that will no longer be used by school corporations under IC 20-26-12.

(20) The disposal of residential structures or improvements by a municipal corporation without consideration to:

(A) a governmental entity; or

(B) a nonprofit corporation that is organized to expand the supply or sustain the existing supply of good quality, affordable housing for residents of Indiana having low or

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moderate incomes.

(21) The disposal of historic property without consideration to a nonprofit corporation whose charter or articles of incorporation allows the corporation to take action for the preservation of historic property. As used in this subdivision, "historic property" means property that is:

(A) listed on the National Register of Historic Places; or

(B) eligible for listing on the National Register of Historic Places, as determined by the division of historic preservation and archeology of the department of natural resources.

(22) The disposal of real property without consideration to:

(A) a governmental agency; or

(B) a nonprofit corporation that exists for the primary purpose of enhancing the environment;

when the property is to be used for compliance with a permit or an order issued by a federal or state regulatory agency to mitigate an adverse environmental impact.

(23) The disposal of property to a person under an agreement between the person and a political subdivision or an agency of a political subdivision under IC 5-23.

(24) The disposal of residential real property pursuant to a federal aviation regulation (14 CFR 150) Airport Noise Compatibility Planning Program as approved by the Federal Aviation Administration.

SECTION 5. [EFFECTIVE JULY 1, 2012] **(a) Not later than October 1, 2012, the state department of health established by IC 16-19-1-1, the division of fire and building safety established by IC 10-19-7-1, and the Indiana emergency medical services commission created by IC 16-31-2-1 shall report to the health finance commission established by IC 2-5-23-3 orally and in writing. The report must cover the following matters related to emergency services:**

(1) Policies and procedures for calling and responding to 911 calls for emergency medical services, including the determination of what type of health care emergency service provider should respond to the call.

(2) Any requirements or guidelines for equipment that should be on an ambulance or other emergency services vehicle that is necessary to respond to the emergency medical needs of an individual.

(3) Ambulance response time for emergency calls.

(4) Ambulance transportation procedures.

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(5) Procedures and policies for health facilities to obtain emergency and non-emergency medical transportation for health facility residents.

(6) How ambulance coverage is affected by ambulances that are subject to geographic or jurisdictional limits within a county, city, town, or township.

(7) Procedures or policies for determining to which hospital a patient is transported.

(8) A review of the state trauma care system.

(b) In preparing the report required by subsection (a), the agencies described in subsection (a) shall consult with entities that may be affected by the proposals being considered for the report.

(c) This SECTION expires December 31, 2012.

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COMMITTEE REPORT

Madam President: The Senate Committee on Health and Provider Services, to which was referred Senate Bill No. 224, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, line 3, delete "IC 16-19-1-1" and insert "**IC 16-19-1-1, the division of fire and building safety established by IC 10-19-7-1,**".

Page 1, line 4, delete "jointly".

Page 2, line 2, delete "potential benefits of combining ambulance".

Page 2, line 3, delete "services with the".

and when so amended that said bill do pass.

(Reference is to SB 224 as introduced.)

MILLER, Chairperson

Committee Vote: Yeas 10, Nays 0.

SENATE MOTION

Madam President: I move that Senate Bill 224 be amended to read as follows:

Page 2, line 3, after "(6)" insert "**How ambulance coverage is affected by ambulances that are subject to geographic or jurisdictional limits within a county, city, town, or township.**

(7) Procedures or policies for determining to which hospital a patient is transported.

(8)".

Page 2, line 4, after "(b)" insert "**In preparing the report required by subsection (a), the agencies described in subsection (a) shall consult with entities that may be affected by the proposals being considered for the report.**

(c)".

(Reference is to SB 224 as printed January 13, 2012.)

MILLER

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SENATE MOTION

Madam President: I move that Senate Bill 224 be amended to read as follows:

Page 1, line 11, delete "who will" and insert "**what type of health care emergency service provider should**".

(Reference is to SB 224 as printed January 13, 2012.)

GROOMS

COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Health, to which was referred Senate Bill 224, 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:

Delete the title and insert the following:

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

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 12-11-1.1-1, AS AMENDED BY P.L.153-2011, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 1. (a) The bureau of developmental disabilities services is established within the division.

(b) The bureau shall plan, coordinate, and administer the provision of individualized, integrated community based services for individuals with a developmental disability and their families, within the limits of available resources. The planning and delivery of services must be based on future plans of the individual with a developmental disability rather than on traditional determinations of eligibility for discrete services, with an emphasis on the preferences of the individual with a developmental disability and that individual's family.

(c) Services for individuals with a developmental disability must be services that meet the following conditions:

(1) Are provided under public supervision.

(2) Are designed to meet the developmental needs of individuals with a developmental disability.

(3) Meet all required state and federal standards.

(4) Are provided by qualified personnel.

(5) To the extent appropriate, are provided in home and

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community based settings in which individuals without disabilities participate.

(6) Are provided in conformity with a service plan developed under IC 12-11-2.1-2.

(d) The bureau shall approve entities to provide community based services and supports **as follows:**

(1) Beginning July 1, 2011, the bureau shall ensure that an entity approved to provide day services, identified day habilitation, including facility based or community based habilitation, prevocational services, or ~~vocational~~ **employment** services under home and community based services waivers is accredited by ~~at least one (1) of the following organizations:~~

~~(1) The Commission on Accreditation of Rehabilitation Facilities (CARF), or its successor.~~

~~(2) The Council on Quality and Leadership In Supports for People with Disabilities, or its successor.~~

~~(3) The Joint Commission on Accreditation of Healthcare Organizations (JCAHO), or its successor.~~

~~(4) The National Committee for Quality Assurance, or its successor.~~

~~(5) The ISO-9001 human services QA system.~~

~~(6) An independent national accreditation organization approved by the secretary.~~ **an approved national accrediting body described in subsection (j).**

(2) Beginning July 1, 2012, the bureau shall ensure that an entity approved to provide residential habilitation and support services under home and community based services waivers is accredited by an approved national accrediting body. However, if an entity is accredited to provide home and community based services under subdivision (1) other than residential habitation and support services, the bureau may extend the time that the entity has to comply with this subdivision until the earlier of the following:

(A) The completion of the entity's next scheduled accreditation survey.

(B) July 1, 2015.

(e) **Subject to subsection (k),** the bureau shall **initially** approve, **reapprove,** and monitor community based residential, habilitation, and ~~vocational~~ **employment** service providers that provide alternatives to placement of individuals with a developmental disability in state institutions and health facilities licensed under IC 16-28 for individuals with a developmental disability. The services must simulate, to the

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extent feasible, patterns and conditions of everyday life that are as close as possible to normal. The community based service categories include the following:

(1) Supervised group living programs, which serve at least four (4) individuals and not more than eight (8) individuals, are funded by Medicaid, and are licensed by the community residential facilities council.

(2) Supported living service arrangements to meet the unique needs of individuals in integrated settings. Supported living service arrangements providing residential services may not serve more than four (4) unrelated individuals in any one (1) setting. However, the head of the bureau shall waive this limitation for a setting providing residential services to more than four (4) unrelated individuals in any one (1) setting if the setting was in existence on June 30, 1999.

(f) To the extent that services described in subsection (e) are available and meet the individual's needs, an individual is entitled to receive services in the least restrictive environment possible.

(g) Community based services under subsection (e)(1) or (e)(2) must consider the needs of and provide choices and options for:

(1) individuals with a developmental disability; and

(2) families of individuals with a developmental disability.

(h) The bureau shall administer a system of service coordination to carry out this chapter.

(i) The bureau may issue orders under IC 4-21.5-3-6 against a provider that violates rules issued by the bureau for programs in which the provider is providing services in accordance with section 11 of this chapter.

(j) For purposes of subsections (d) and (k), "approved national accrediting body" means any of the following:

(1) The Commission on Accreditation of Rehabilitation Facilities (CARF), or its successor.

(2) The Council on Quality and Leadership In Supports for People with Disabilities, or its successor.

(3) The Joint Commission on Accreditation of Healthcare Organizations (JCAHO), or its successor.

(4) The National Committee for Quality Assurance, or its successor.

(5) The ISO-9001 human services QA system.

(6) The Council on Accreditation, or its successor.

(7) An independent national accreditation organization approved by the secretary.

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(k) An entity that is accredited by an approved national accrediting body is not subject to reapproval surveys or routine monitoring surveys by the division, bureau, or bureau of quality improvement services, including any reapproval survey under a home and community based services waiver. However, the bureau may perform validation surveys and complaint investigations of an entity accredited by an approved national accrediting body.

SECTION 2. IC 35-44-1-3, AS AMENDED BY P.L.110-2011, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 3. (a) The following definitions apply throughout this section:

(1) "Dependent" means any of the following:

(A) The spouse of a public servant.

(B) A child, stepchild, or adoptee (as defined in IC 31-9-2-2) of a public servant who is:

(i) unemancipated; and

(ii) less than eighteen (18) years of age.

(C) An individual more than one-half (1/2) of whose support is provided during a year by the public servant.

(2) "Governmental entity served by the public servant" means the immediate governmental entity being served by a public servant.

(3) "Pecuniary interest" means an interest in a contract or purchase if the contract or purchase will result or is intended to result in an ascertainable increase in the income or net worth of:

(A) the public servant; or

(B) a dependent of the public servant who:

(i) is under the direct or indirect administrative control of the public servant; or

(ii) receives a contract or purchase order that is reviewed, approved, or directly or indirectly administered by the public servant.

(b) A public servant who knowingly or intentionally:

(1) has a pecuniary interest in; or

(2) derives a profit from;

a contract or purchase connected with an action by the governmental entity served by the public servant commits conflict of interest, a Class D felony.

(c) It is not an offense under this section if:

(1) The public servant or the public servant's dependent receives compensation through salary or an employment contract for:

(A) services provided as a public servant; or

(B) expenses incurred by the public servant as provided by

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law.

(2) The public servant's interest in the contract or purchase and all other contracts and purchases made by the governmental entity during the twelve (12) months before the date of the contract or purchase was two hundred fifty dollars ($250) or less.

(3) The contract or purchase involves utility services from a utility whose rate structure is regulated by the state or federal government.

(4) The public servant:

(A) acts in only an advisory capacity for a state supported college or university; and

(B) does not have authority to act on behalf of the college or university in a matter involving a contract or purchase.

(5) A public servant under the jurisdiction of the state ethics commission (as provided in IC 4-2-6-2.5) obtains from the state ethics commission, following full and truthful disclosure, written approval that the public servant will not or does not have a conflict of interest in connection with the contract or purchase under IC 4-2-6 and this section. The approval required under this subdivision must be:

(A) granted to the public servant before action is taken in connection with the contract or purchase by the governmental entity served; or

(B) sought by the public servant as soon after the contract or purchase as the public servant becomes aware of the facts that give rise to a question of conflict of interest.

(6) A public servant who makes a disclosure that meets the requirements of subsection (d) or (e) and is:

(A) not a member or on the staff of the governing body empowered to contract or purchase on behalf of the governmental entity, and functions and performs duties for the governmental entity unrelated to the contract or purchase;

(B) appointed by an elected public servant;

(C) employed by the governing body of a school corporation and the contract or purchase involves the employment of a dependent or the payment of fees to a dependent;

(D) elected; or

(E) a member of, or a person appointed by, the board of trustees of a state supported college or university.

(7) The public servant is:

(A) a member of the governing board of; **or**

(B) a physician employed or contracted by;

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a hospital organized or operated under IC 16-22-1 through IC 16-22-5 or IC 16-23-1.

(d) A disclosure must:

(1) be in writing;

(2) describe the contract or purchase to be made by the governmental entity;

(3) describe the pecuniary interest that the public servant has in the contract or purchase;

(4) be affirmed under penalty of perjury;

(5) be submitted to the governmental entity and be accepted by the governmental entity in a public meeting of the governmental entity before final action on the contract or purchase;

(6) be filed within fifteen (15) days after final action on the contract or purchase with:

(A) the state board of accounts; and

(B) if the governmental entity is a governmental entity other than the state or a state supported college or university, the clerk of the circuit court in the county where the governmental entity takes final action on the contract or purchase; and

(7) contain, if the public servant is appointed, the written approval of the elected public servant (if any) or the board of trustees of a state supported college or university (if any) that appointed the public servant.

(e) This subsection applies only to a person who is a member of, or a person appointed by, the board of trustees of a state supported college or university. A person to whom this subsection applies complies with the disclosure requirements of this chapter with respect to the person's pecuniary interest in a particular type of contract or purchase which is made on a regular basis from a particular vendor if the individual files with the state board of accounts and the board of trustees a statement of pecuniary interest in that particular type of contract or purchase made with that particular vendor. The statement required by this subsection must be made on an annual basis.

SECTION 3. IC 36-1-11-1, AS AMENDED BY P.L.2-2006, SECTION 188, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 1. (a) Except as provided in subsection (b), this chapter applies to the disposal of property by:

(1) political subdivisions; and

(2) their agencies.

(b) This chapter does not apply to the following:

(1) The disposal of property under an urban homesteading program under IC 36-7-17.

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(2) The lease of school buildings under IC 20-47.
(3) The sale of land to a lessor in a lease-purchase contract under IC 36-1-10.
(4) The disposal of property by a redevelopment commission established under IC 36-7.
(5) The leasing of property by a board of aviation commissioners established under IC 8-22-2 or an airport authority established under IC 8-22-3.
(6) The disposal of a municipally owned utility under IC 8-1.5.
(7) The sale or lease of property by a unit to an Indiana nonprofit corporation organized for educational, literary, scientific, religious, or charitable purposes that is exempt from federal income taxation under Section 501 of the Internal Revenue Code or the sale or reletting of that property by the nonprofit corporation.
(8) The disposal of surplus property by a hospital established and operated under IC 16-22-1 through IC 16-22-5, IC 16-22-8, IC 16-23-1, or IC 16-24-1.
(9) The sale or lease of property acquired under IC 36-7-13 for industrial development.
(10) The sale, lease, or disposal of property by a local hospital authority under IC 5-1-4.
(11) The sale or other disposition of property by a county or municipality to finance housing under IC 5-20-2.
(12) The disposition of property by a soil and water conservation district under IC 14-32.
(13) The **sale, lease, or** disposal of ~~surplus~~ property by the health and hospital corporation established and operated under IC 16-22-8.
(14) The disposal of personal property by a library board under IC 36-12-3-5(c).
(15) The sale or disposal of property by the historic preservation commission under IC 36-7-11.1.
(16) The disposal of an interest in property by a housing authority under IC 36-7-18.
(17) The disposal of property under IC 36-9-37-26.
(18) The disposal of property used for park purposes under IC 36-10-7-8.
(19) The disposal of textbooks that will no longer be used by school corporations under IC 20-26-12.
(20) The disposal of residential structures or improvements by a municipal corporation without consideration to:

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(A) a governmental entity; or

(B) a nonprofit corporation that is organized to expand the supply or sustain the existing supply of good quality, affordable housing for residents of Indiana having low or moderate incomes.

(21) The disposal of historic property without consideration to a nonprofit corporation whose charter or articles of incorporation allows the corporation to take action for the preservation of historic property. As used in this subdivision, "historic property" means property that is:

(A) listed on the National Register of Historic Places; or

(B) eligible for listing on the National Register of Historic Places, as determined by the division of historic preservation and archeology of the department of natural resources.

(22) The disposal of real property without consideration to:

(A) a governmental agency; or

(B) a nonprofit corporation that exists for the primary purpose of enhancing the environment;

when the property is to be used for compliance with a permit or an order issued by a federal or state regulatory agency to mitigate an adverse environmental impact.

(23) The disposal of property to a person under an agreement between the person and a political subdivision or an agency of a political subdivision under IC 5-23.

(24) The disposal of residential real property pursuant to a federal aviation regulation (14 CFR 150) Airport Noise Compatibility Planning Program as approved by the Federal Aviation Administration.".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 224 as reprinted January 27, 2012.)

BROWN T, Chair

Committee Vote: yeas 10, nays 0.

HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 224 be amended to read as follows:

Page 4, between lines 9 and 10, begin a new paragraph and insert:

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"SECTION 2. IC 25-22.5-2-8, AS ADDED BY P.L.149-2011, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2012]: Sec. 8. (a) The board shall implement a program to investigate and assess a civil penalty of not more than one thousand dollars ($1,000) against a physician licensed under this article for the following violations:

(1) Licensure renewal fraud.

(2) Improper termination of a physician and patient relationship.

(3) Practicing with an expired medical license.

(4) Providing office based anesthesia without the proper accreditation.

(5) Failure to perform duties required for issuing birth or death certificates.

(6) Failure to disclose, or negligent omission of, documentation requested for licensure renewal.

(b) An individual who is investigated by the board and found by the board to have committed a violation specified in subsection (a) may appeal the determination made by the board in accordance with IC 4-21.5.

(c) In accordance with the federal Health Care Quality Improvement Act (42 U.S.C. 11132), the board shall report a disciplinary board action that is subject to reporting to the National Practitioner Data Bank. However, the board may not report board action against a physician for only an administrative penalty described in subsection (a). The board's action concerning disciplinary action or an administrative penalty described in subsection (a) shall be conducted at a hearing that is open to the public.

(d) The physician compliance fund is established to provide funds for administering and enforcing the investigation of violations specified in subsection (a). The fund shall be administered by the Indiana professional licensing agency.

(e) The expenses of administering the physician compliance fund shall be paid from the money in the fund. The fund consists of penalties collected through investigations and assessments by the board concerning violations specified in subsection (a). Money in the fund at the end of a state fiscal year does not revert to the state general fund.".

Renumber all SECTIONS consecutively.

(Reference is to ESB 224 as printed February 24, 2012.)

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