

COMMITTEE REPORT

MADAM PRESIDENT:

The Senate Committee on Health and Provider Services, to which was referred Senate Bill No. 559, 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:

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

3 "SECTION 1. IC 7.1-2-2-9.5 IS ADDED TO THE INDIANA CODE
4 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
5 1, 2013]: **Sec. 9.5. The state excise police may investigate fraud**
6 **within the electronic benefits transfer program, as set forth in**
7 **IC 12-13-14-14."**

8 Page 1, between lines 15 and 16, begin a new paragraph and insert:

9 "SECTION 3. IC 12-13-14-14 IS ADDED TO THE INDIANA
10 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
11 [EFFECTIVE JULY 1, 2013]: **Sec. 14. The state excise police may**
12 **investigate allegations of fraud within the EBT program, including**
13 **investigations of the following persons:**

- 14 **(1) Applicants.**
15 **(2) Recipients.**
16 **(3) Retailers that participate in the EBT program.**
17 **(4) Individuals who sell or purchase access to cash assistance**
18 **benefits in violation of any federal or state law or regulation.**

19 SECTION 4. IC 12-13-14-15 IS ADDED TO THE INDIANA
20 CODE AS A **NEW** SECTION TO READ AS FOLLOWS

1 [EFFECTIVE JULY 1, 2013]: **Sec. 15. (a) The division shall establish**
 2 **a process for a recipient to follow in order to receive a replacement**
 3 **EBT card. The process must include a written request for**
 4 **replacement if the individual requesting replacement of the EBT**
 5 **card has previously requested a replacement EBT card at least**
 6 **three (3) times in the preceding twelve (12) month period.**

7 **(b) The division may deny replacement of an EBT card if the**
 8 **recipient seeking replacement of the EBT card does not follow the**
 9 **procedure established by the division under subsection (a).**

10 SECTION 5. IC 12-15-1-22 IS ADDED TO THE INDIANA CODE
 11 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 12 1, 2013]: **Sec. 22. (a) The office shall visit a Medicaid provider's**
 13 **office, entity, or facility if the provider's Medicaid claims have**
 14 **increased by at least fifty percent (50%) over a six (6) month**
 15 **period.**

16 **(b) The office shall adopt rules under IC 4-22-2 or issue a**
 17 **Medicaid provider bulletin setting forth procedures and standards**
 18 **for the visit required under this section."**

19 Page 2, line 22, delete "." and insert "**for one (1) year. If the office**
 20 **determines that a person receiving Medicaid assistance is to be**
 21 **removed from receiving Medicaid assistance under this subsection,**
 22 **the person may appeal the determination. An appeal under this**
 23 **subsection is subject to IC 4-21.5."**

24 Page 2, after line 24, begin a new paragraph and insert:

25 "SECTION 7. IC 12-15-11-2.5 IS ADDED TO THE INDIANA
 26 CODE AS A NEW SECTION TO READ AS FOLLOWS
 27 [EFFECTIVE JULY 1, 2013]: **Sec. 2.5. (a) As used in this section,**
 28 **"transportation provider" means a person:**

29 **(1) that is a common carrier, including a person that provides**
 30 **transportation by a taxi;**

31 **(2) that:**

32 **(A) is enrolled; or**

33 **(B) applies for enrollment;**

34 **in the Medicaid program as a Medicaid provider to render**
 35 **transportation services to Medicaid recipients; and**

36 **(3) that is not a nonprofit organization exempt from taxation**
 37 **under Section 501(c)(3) of the Internal Revenue Code.**

38 **(b) A transportation provider that applies for enrollment as a**

1 **Medicaid provider:**

2 **(1) as a new applicant;**

3 **(2) due to a change in ownership of a transportation provider**
 4 **currently enrolled; or**

5 **(3) due to a purchase or transfer of the assets of a**
 6 **transportation provider currently enrolled;**

7 **shall, at the time the transportation provider files a provider**
 8 **agreement with the office, submit to the office a surety bond that**
 9 **meets the requirements of subsection (d) and is issued by a surety**
 10 **that is authorized by the office of the secretary.**

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

17 **(d) The following apply to a surety bond filed with the office**
 18 **under this section:**

19 **(1) The surety bond must be continuously in effect for at least**
 20 **three (3) years after the application is made as described in**
 21 **subsection (b).**

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

24 **(3) The surety bond must name the:**

25 **(A) transportation provider as the principal;**

26 **(B) office as the obligee; and**

27 **(C) person that issues the surety bond, including the**
 28 **person's heirs, executors, administrators, successors, and**
 29 **assignees, jointly and severally, as surety.**

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

32 **(5) The surety bond must provide that the surety is liable**
 33 **under the surety bond for a duplicate, erroneous, or false**
 34 **Medicaid claim paid by the office or its fiscal agent to the**
 35 **transportation provider during the term of the surety bond.**

36 **(6) The surety bond must guarantee that the surety will, not**
 37 **later than thirty (30) days after the surety receives written**
 38 **notice from the office containing sufficient evidence to**

1 establish the surety's liability under the surety bond as
2 described in subdivision (5), pay to the office the following
3 amounts, not to exceed the full amount of the surety bond:

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

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

9 (7) The surety bond must provide that if the transportation
10 provider's provider agreement is not renewed or is
11 terminated, the surety bond submitted by the transportation
12 provider remains in effect until the last day of the surety bond
13 coverage period and the surety remains liable for a duplicate,
14 erroneous, or false claim paid by the office or its fiscal agent
15 to the transportation provider during the term of the surety
16 bond.

17 (8) The surety bond must provide that actions under the
18 surety bond may be brought by the office or the attorney
19 general.

20 (e) The office may revoke or deny a provider agreement for a
21 transportation provider's failure to comply with this section.

22 (f) The office may revoke a provider agreement if a
23 transportation provider cancels a surety bond required by this
24 section.

25 (g) The office or its designee may, at any time, require a
26 transportation provider to demonstrate compliance with this
27 section.

28 (h) If:

29 (1) a surety has paid the office for a liability incurred under
30 a surety bond under this section; and

31 (2) the transportation provider is subsequently successful in
32 appealing the determination of liability;

33 the office shall, upon completion of the appellate process, refund
34 the surety or the transportation provider the full amount paid for
35 the liability.

36 SECTION 8. IC 12-15-11-3 IS AMENDED TO READ AS
37 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 3. A provider
38 agreement must do the following:

- 1 (1) Include information that the office determines necessary to
 2 facilitate carrying out of IC 12-15.
 3 (2) Prohibit the provider from requiring payment from a recipient
 4 of Medicaid, except where a copayment is required by law.
 5 **(3) Require the submission of necessary information, forms,**
 6 **or consents for the office to obtain a national criminal history**
 7 **background check through the state police department under**
 8 **IC 10-13-3-39 of any person who holds at least a five percent**
 9 **(5%) ownership interest in a facility or entity in which the**
 10 **provider applicant plans to provide Medicaid services under**
 11 **the provider agreement. The provider applicant is responsible**
 12 **for the cost of the national criminal history background**
 13 **check.**

14 SECTION 9. IC 12-15-11-4 IS AMENDED TO READ AS
 15 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 4. (a) A provider
 16 desiring to participate in the Medicaid program by providing physician
 17 services as a managed care provider must enter into a provider
 18 agreement with the office or the contractor under IC 12-15-30 to
 19 provide Medicaid services.

20 **(b) Before the office may approve a provider agreement, the**
 21 **office shall visit the facility or entity in which the provider**
 22 **applicant plans to provide Medicaid services under a provider**
 23 **agreement. The office shall adopt rules under IC 4-22-2 or issue a**
 24 **Medicaid provider bulletin setting forth procedures and standards**
 25 **for the visit required under this subsection.**

26 SECTION 10. IC 20-26-9-10, AS ADDED BY P.L.1-2005,
 27 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 JULY 1, 2013]: Sec. 10. (a) The state superintendent shall prescribe
 29 rules for keeping accounts and records and making reports by or under
 30 the supervision of a governing body.

- 31 (b) The accounts and records shall:
 32 (1) be available for inspection and audit at all times by authorized
 33 officials; and
 34 (2) be preserved for at least five (5) years, as the state
 35 superintendent may prescribe.
 36 (c) The state superintendent shall conduct or cause to be conducted
 37 any audits, inspections, and administrative reviews of **completed**
 38 **applications**, acts, records, and operations of a school lunch program

- 1 necessary to do the following:
- 2 (1) Determine whether agreements with the governing body and
- 3 rules under this chapter are being complied with.
- 4 (2) Ensure that a school lunch program is effectively
- 5 administered.
- 6 **(3) Ensure that participants meet all requirements to**
- 7 **participate in the school lunch program."**
- 8 Renumber all SECTIONS consecutively.
(Reference is to SB 559 as introduced.)

and when so amended that said bill be reassigned to the Senate Committee on Tax and Fiscal Policy.

Committee Vote: Yeas 10, Nays 0.

Miller Patricia

Chairperson