

IC 16-28-8

Chapter 8. Receivership

IC 16-28-8-0.5

Cost of receivership

Sec. 0.5. As used in this chapter, "cost of receivership" may include the costs of placing a receiver in a health facility and all reasonable expenditures and attorney's fees incurred by the receiver to operate the health facility while the health facility is in receivership.

As added by P.L.29-2002, SEC.2.

IC 16-28-8-1

Petitions for receivership

Sec. 1. The director may, after consultation with the commissioner, request the attorney general to petition the circuit or superior court of the county in which a health facility is located to place the facility in receivership to protect the patients in the facility.

As added by P.L.2-1993, SEC.11. Amended by P.L.156-2011, SEC.27; P.L.197-2011, SEC.69.

IC 16-28-8-2

Conditions for receivership

Sec. 2. The court may order a health facility placed in receivership in the following circumstances:

- (1) The facility is operating without a license.
- (2) The license of the facility has expired or been revoked.
- (3) The facility is closing or plans to close and adequate arrangements have not been made for the orderly transfer of patients at least thirty (30) days before closing.
- (4) The facility is operating under extraordinary conditions that present a major threat to the health, safety, security, rights, or welfare of a facility's patients, including imminent abandonment of the facility by the owner.

As added by P.L.2-1993, SEC.11.

IC 16-28-8-3

Repealed

(Repealed by P.L.179-1993, SEC.15.)

IC 16-28-8-4

Receivers; qualifications; powers and duties

Sec. 4. A receiver:

- (1) must be licensed under IC 25-19-1 and may be a state employee;
- (2) must possess the education and experience necessary, as determined by the director, to oversee correction of the deficiencies of the facility;
- (3) must not have been found guilty of misconduct by any licensing board or professional society in the state;

(4) must not have (or a member of the receiver's immediate family must not have) a financial ownership interest in the facility;

(5) has the powers and duties granted by the court to protect the interests of the patients in the health facility, which may include providing for the orderly relocation of patients from the health facility and the refusal to admit new patients pending closure; and

(6) must report to the director on the operation of the facility and the status and condition of the patients.

As added by P.L.2-1993, SEC.11. Amended by P.L.210-1999, SEC.1.

IC 16-28-8-5

Operation of facilities

Sec. 5. Unless a health facility is ordered to be closed within one hundred twenty (120) days, the receiver shall operate the health facility subject to the same standard and rate criteria that apply to all health facilities licensed under IC 16-28-2.

As added by P.L.2-1993, SEC.11.

IC 16-28-8-6

Bond

Sec. 6. (a) Before beginning duties as a receiver, the receiver must execute a bond, with one (1) or more sureties approved by the court, to the effect that the receiver will:

(1) faithfully discharge the duties of the receiver while operating the health facility; and

(2) obey the orders of the court.

(b) The health facility shall pay the cost of the bond required of the receiver.

(c) Upon:

(1) the court's approval of the receiver's final report that the conditions that presented a major threat to the patients in the health facility have been corrected or that the health facility has closed; and

(2) the receiver's compliance with the court's order made on the final report;

the receiver and the surety on the receiver's bond are fully discharged for all matters related to the final report.

As added by P.L.210-1999, SEC.2.

IC 16-28-8-7

Costs of receivership; receiver who is a state employee; state paid cost of receivership preferred

Sec. 7. (a) The costs of the receivership shall be determined by the court and shall be paid by the owner or operator of the health facility.

(b) If the receiver is a state employee, the state shall pay the receiver's salary.

(c) Any cost of receivership paid by the state for the receivership of a health facility is a preferred claim against the receivership estate.

The state may file a claim against the health facility or the health facility's assets and resources for recovery of any administrative expense incurred by the state under this chapter.

- (d) Any asset or resource of the health facility may be used to:
 - (1) fund the cost of receivership; and
 - (2) reimburse any expenditure made by the state under this chapter.

As added by P.L.210-1999, SEC.3. Amended by P.L.29-2002, SEC.3.