

Second Regular Session of the 122nd General Assembly (2022)

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 2021 Regular Session of the General Assembly.

HOUSE ENROLLED ACT No. 1112

AN ACT to amend the Indiana Code concerning Medicaid.

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

SECTION 1. IC 12-15-5-18.7 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2022]: **Sec. 18.7. (a) This section applies to an emergency medical services provider organization that meets the following requirements:**

- (1) Is certified by the Indiana emergency medical services commission to provide emergency medical services.**
- (2) Is a Medicaid provider.**

(b) Beginning July 1, 2023, the office of the secretary shall reimburse an emergency medical services provider organization for Medicaid covered services to a Medicaid recipient, including:

- (1) advanced life support services;**
- (2) basic life support services; and**
- (3) nonemergency medical transportation services;**

that are within the emergency medical services provider organization's scope of practice at a rate that is comparable to the federal Medicare reimbursement rate for the service provided by the emergency medical services provider organization. However, the reimbursement rate specified in this subsection may not be implemented by the office of the secretary before July 1, 2023.

(c) Before September 1, 2022, the office of the secretary shall apply to the United States Department of Health and Human



Services for any state plan amendment or waiver necessary to implement this section and IC 12-15-12-18.5.

SECTION 2. IC 12-15-12-18.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2022]: **Sec. 18.5. (a) Except as provided in subsection (b), this section applies to an emergency medical services provider organization that meets the following requirements:**

(1) Is certified by the Indiana emergency medical services commission to provide emergency medical services.

(2) Is a Medicaid provider.

(b) This section does not apply to an emergency medical services provider organization that has contracted with the recipient's managed care organization to provide emergency medical services described in this section at a negotiated rate that is different than the Medicare rate described in this section.

(c) Beginning July 1, 2023, a managed care organization shall reimburse an emergency medical services provider organization for Medicaid covered services provided to a Medicaid recipient, including:

(1) advanced life support services;

(2) basic life support services; and

(3) nonemergency medical transportation services;

that are within the emergency medical services provider organization's scope of practice at a rate that is comparable to the federal Medicare reimbursement rate for the service provided by the emergency medical services provider organization. However, the reimbursement rate specified in this subsection may not be implemented by the office of the secretary before July 1, 2023.

SECTION 3. IC 12-15-15-1.2, AS ADDED BY P.L.132-2021, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 1.2. (a) This section applies only to state fiscal years beginning after June 30, 2021, and ending before July 1, 2023.**

(b) As used in this section, "children's hospital" means:

(1) a freestanding general acute care hospital that:

(A) is designated by the Medicare program as a children's hospital; or

(B) furnishes inpatient and outpatient health care services to patients who are predominantly individuals less than nineteen (19) years of age; or

(2) a facility located within a freestanding general acute care hospital that:



(A) is designated by the Medicare program as a children's hospital; or

(B) furnishes inpatient and outpatient health care services to patients who are predominately individuals less than nineteen (19) years of age.

(c) This section applies to reimbursement for inpatient Medicaid services and outpatient Medicaid services provided to a Medicaid recipient who is less than nineteen (19) years of age at a children's hospital that is located in a state bordering Indiana. This section does not apply to reimbursement for non-emergency medical transportation.

(d) **As used in this subsection, "cost outlier case" means a Medicaid stay that exceeds a predetermined threshold, defined as the greater of twice the diagnosis-related group (DRG) rate or a fixed dollar amount that has been established by the office.** Subject to subsection (a), the office shall reimburse a children's hospital for covered services provided to a Medicaid recipient that is described in subsection (c) at a rate set by the secretary that is based on a reimbursement formula that is:

(1) comparable to the current federal Medicare reimbursement rate for the service provided by the children's hospital; or

(2) one hundred thirty percent (130%) of the Medicaid reimbursement rate for a service that does not have a Medicare reimbursement rate.

The reimbursement methodology under this subsection must factor in any cost outlier case in a manner that results in the final reimbursement rate made to a hospital meeting the reimbursement requirements specified in this subsection. The office may, upon factoring in the cost outlier case in determining the final reimbursement rate, make retroactive reimbursements to an out of state children's hospital to the date of the initial Medicaid waiver application.

(e) Before September 1, 2021, the office shall apply to the United States Department of Health and Human Services for any state plan amendment or Medicaid waiver necessary to implement and administer this section. **Before June 1, 2022, the office shall apply for an amendment to the Medicaid waiver concerning reimbursement under this section that is necessary to implement the changes required by amendments made to this section concerning factoring in any cost outlier case.**

(f) The office may adopt rules under IC 4-22-2 necessary for the implementation of this section.

(g) This section expires July 1, 2023.



SECTION 4. An emergency is declared for this act.



Speaker of the House of Representatives

President of the Senate

President Pro Tempore

Governor of the State of Indiana

Date: _____ Time: _____

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