



Reprinted  
April 16, 2019

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## ENGROSSED HOUSE BILL No. 1238

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DIGEST OF HB 1238 (Updated April 15, 2019 7:33 pm - DI 104)

**Citations Affected:** IC 12-7; IC 12-15.

**Synopsis:** Medicaid reimbursement for children's hospitals. Requires the office of the secretary of family and social services (office) to compile information from other states and collaborate with Medicaid directors of states bordering Indiana concerning the provision of services and reimbursement for Medicaid children recipients who receive care in states other than the state in which the recipient resides. Requires a meeting with certain stakeholders before October 1, 2019, and sets forth requirements of the meeting. Requires the office to update the house public health committee and the senate health and provider services committee concerning the office's progress. Allows the office to apply to the United States Department of Health and Human Services for a program or procedure: (1) concerning the provision of Medicaid services and Medicaid reimbursement for Indiana Medicaid children recipients who receive care in children's hospitals or Medicaid services from providers located in a state that borders Indiana; and (2) that was developed with the stakeholders.

**Effective:** Upon passage.

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### Soliday, Huston, Candelaria Reardon

(SENATE SPONSORS — CHARBONNEAU, FORD JON, TALLIAN,  
RANDOLPH LONNIE M, BOHACEK)

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January 10, 2019, read first time and referred to Committee on Ways and Means.  
February 4, 2019, amended, reported — Do Pass.  
February 7, 2019, read second time, ordered engrossed. Engrossed.  
February 11, 2019, read third time, passed. Yeas 92, nays 0.

SENATE ACTION

February 27, 2019, read first time and referred to Committee on Appropriations.  
April 11, 2019, amended, reported favorably — Do Pass.  
April 15, 2019, read second time, amended, ordered engrossed.

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EH 1238—LS 7013/DI 104





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April 16, 2019

First Regular Session of the 121st General Assembly (2019)

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 2018 Regular and Special Session of the General Assembly.

## ENGROSSED HOUSE BILL No. 1238

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A BILL FOR AN ACT to amend the Indiana Code concerning  
Medicaid.

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

1 SECTION 1. IC 12-7-2-32.5 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE  
3 UPON PASSAGE]: **Sec. 32.5. "Children's hospital", for purposes  
4 of IC 12-15-15.5, has the meaning set forth in IC 12-15-15.5-1.**

5 SECTION 2. IC 12-15-15.5 IS ADDED TO THE INDIANA CODE  
6 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
7 UPON PASSAGE]:

8 **Chapter 15.5. Medicaid Out-of-State Reimbursement for  
9 Bordering Children's Hospitals**

10 **Sec. 1. As used in this chapter, "children's hospital" means**  
11 **either a licensed freestanding general acute care hospital or a**  
12 **licensed full-service freestanding pediatric hospital that does not**  
13 **share a Medicare provider number with an adult hospital, and**  
14 **that:**

15 (1) is a:  
16 (A) level I trauma center;  
17 (B) level I pediatric trauma center;

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1 (C) hospital that holds the highest perinatal level  
2 designation available in the state; or

3 (D) level IV neonatal care unit;  
4 or any combination of the above; and

5 (2) either:

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

8 (B) furnishes services to inpatients who are predominantly  
9 individuals less than eighteen (18) years of age, as  
10 determined using the same criteria used by the Medicare  
11 program to determine whether a hospital's services are  
12 furnished to inpatients who are predominantly individuals  
13 less than eighteen (18) years of age.

14 Sec. 2. As used in this chapter, "Medicaid recipient" refers to a  
15 Medicaid recipient who is less than eighteen (18) years of age.

16 Sec. 3. Before October 1, 2019, the office of the secretary shall  
17 do the following:

18 (1) In consultation with the National Association of Medicaid  
19 Directors, review existing procedures, arrangements, and  
20 agreements of other states, including financing mechanisms,  
21 for Medicaid reimbursement for Medicaid recipients who are  
22 receiving care:

23 (A) in a children's hospital that; or

24 (B) by a Medicaid provider who:  
25 is located in a state other than the state in which the Medicaid  
26 recipient resides.

27 (2) Collaborate with Medicaid directors of states bordering  
28 Indiana to discuss the issue of:

29 (A) providing services to Indiana Medicaid recipients who  
30 receive Medicaid services in states bordering Indiana; and

31 (B) reimbursement for Indiana Medicaid providers that  
32 provide Medicaid services to Medicaid recipients residing  
33 in states bordering Indiana.

34 Sec. 4. (a) Before October 1, 2019, the office of the secretary  
35 shall meet with stakeholders to discuss the following:

36 (1) The information gathered under section 3 of this chapter.

37 (2) The fiscal feasibility and rate of reimbursement for  
38 Medicaid services provided to Indiana Medicaid recipients  
39 from a children's hospital or Medicaid provider in a state  
40 bordering Indiana.

41 (3) Reimbursement for Indiana Medicaid providers that  
42 provide Medicaid services to Medicaid recipients residing in



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states bordering Indiana.

(4) The development of any program or procedure to provide reimbursement for Indiana Medicaid recipients who receive Medicaid services in states bordering Indiana.

(b) The stakeholders described in subsection (a) must at least include the following:

- (1) A representative of an Indiana children's hospital.
- (2) A representative of an Indiana hospital located near a state that borders Indiana.
- (3) A pediatrician licensed under IC 25-22.5.
- (4) A representative of a children's hospital located in a state that borders Indiana.
- (5) An employee of the state budget agency with expertise in the Medicaid program.
- (6) Any other individual determined by the office of the secretary to be relevant to the requirements of this section.

Sec. 5. The office of the secretary shall update members of the:

- (1) house public health standing committee; and
- (2) senate health and provider services standing committee;

in an electronic format under IC 5-14-6 concerning the information and determinations made under sections 3 and 4 of this chapter.

Sec. 6. The office of the secretary may apply to the United States Department of Health and Human Services for approval through a Medicaid waiver or a Medicaid state plan amendment for a program or procedure:

- (1) concerning the provision of Medicaid services and Medicaid reimbursement for Indiana Medicaid recipients who receive care in children's hospitals or Medicaid services from providers located in a state that borders Indiana; and
- (2) that was developed under section 4 of this chapter.

SECTION 3. An emergency is declared for this act.



## COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1238, 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:

Page 1, between lines 4 and 5, begin a new paragraph and insert:

"SECTION 2. IC 12-8-1.5-19 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: **Sec. 19. (a) Before August 1, 2019, the office of the secretary of family and social services shall do the following:**

**(1) Prepare and submit a report as described in subsection (b) to the legislative council in an electronic format under IC 5-14-6.**

**(2) Present the report required under this section to the budget committee.**

**(b) The report must describe significant metrics related to the efficiency of Medicaid nonemergency medical transportation providers, including:**

**(1) the total number of pickups by Medicaid nonemergency medical transportation providers;**

**(2) the number of pickups by Medicaid nonemergency medical transportation providers in which the transportation provider failed to deliver the client to the client's medical appointment on time; and**

**(3) the number of pickups by Medicaid nonemergency medical transportation providers in which the client's medical provider canceled or rescheduled the client's medical appointment because the transportation provider failed to deliver the client to the client's medical appointment on time.**

**(c) The report described in subsection (b) must cover the period beginning on the effective date of the contract between the office of the secretary and the sole Medicaid nonemergency medical transportation provider that was in force on January 1, 2019, and ending on the earlier of:**

**(1) the termination date of the contract; or**

**(2) the report cutoff date of July 1, 2019."**

Page 1, delete lines 9 through 17, begin a new paragraph and insert:

**"Sec. 1. As used in this chapter, "children's hospital" means a freestanding general acute care hospital that:**

**(1) is a level I trauma center or a level IV neonatal care unit, or both; and**



(2) is either:

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

(B) furnishes services to inpatients who are predominantly individuals less than eighteen (18) years of age, as determined using the same criteria used by the Medicare program to determine whether a hospital's services are furnished to inpatients who are predominantly individuals less than eighteen (18) years of age."

Page 2, delete line 1.

Page 2, line 12, delete "eighteen (18)" and insert "six (6)".

Page 2, line 19, delete "outside of Indiana." and insert "in Chicago, Illinois."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1238 as introduced.)

HUSTON

Committee Vote: yeas 22, nays 0.

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#### COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred House Bill No. 1238, 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 2, delete "JULY" and insert "UPON PASSAGE]:".

Page 1, line 3, delete "1, 2019]:".

Page 1, delete lines 5 through 17.

Page 2, delete lines 1 through 17.

Page 2, line 20, delete "JULY 1, 2019]:" and insert "UPON PASSAGE]:".

Page 2, delete line 21, begin a new paragraph and insert:

**"Chapter 15.5. Medicaid Out-of-State Reimbursement for Bordering Children's Hospitals".**

Page 2, delete lines 35 through 42, begin a new paragraph and insert:

**"Sec. 2. As used in this chapter, "Medicaid recipient" refers to**

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a Medicaid recipient who is less than eighteen (18) years of age.

**Sec. 3. Before October 1, 2019, the office of the secretary shall do the following:**

**(1) In consultation with the National Association of Medicaid Directors, review existing procedures, arrangements, and agreements of other states, including financing mechanisms, for Medicaid reimbursement for Medicaid recipients who are receiving care:**

**(A) in a children's hospital that; or**

**(B) by a Medicaid provider who:**

**is located in a state other than the state in which the Medicaid recipient resides.**

**(2) Collaborate with Medicaid directors of states bordering Indiana to discuss the issue of:**

**(A) providing services to Indiana Medicaid recipients who receive Medicaid services in states bordering Indiana; and**

**(B) reimbursement for Indiana Medicaid providers that provide Medicaid services to Medicaid recipients residing in states bordering Indiana.**

**Sec. 4. (a) Before October 1, 2019, the office of the secretary shall meet with stakeholders to discuss the following:**

**(1) The information gathered under section 3 of this chapter.**

**(2) The fiscal feasibility and rate of reimbursement for Medicaid services provided to Indiana Medicaid recipients from a children's hospital or Medicaid provider in a state bordering Indiana.**

**(3) Reimbursement for Indiana Medicaid providers that provide Medicaid services to Medicaid recipients residing in states bordering Indiana.**

**(4) The development of any program or procedure to provide reimbursement for Indiana Medicaid recipients who receive Medicaid services in states bordering Indiana.**

**(b) The stakeholders described in subsection (a) must at least include the following:**

**(1) A representative of an Indiana children's hospital.**

**(2) A representative of an Indiana hospital located near a state that borders Indiana.**

**(3) A pediatrician licensed under IC 25-22.5.**

**(4) Any other individual determined by the office of the secretary to be relevant to the requirements of this section.**

**Sec. 5. The office of the secretary shall update members of the:**

**(1) house public health standing committee; and**





**(2) senate health and provider services standing committee; in an electronic format under IC 5-14-6 concerning the information and determinations made under sections 3 and 4 of this chapter.**

**Sec. 6. The office of the secretary may apply to the United States Department of Health and Human Services for approval through a Medicaid waiver or a Medicaid state plan amendment for a program or procedure:**

- (1) concerning the provision of Medicaid services and Medicaid reimbursement for Indiana Medicaid recipients who receive care in children's hospitals or Medicaid services from providers located in a state that borders Indiana; and**
- (2) that was developed under section 4 of this chapter.**

**SECTION 3. An emergency is declared for this act."**

Delete page 3.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1238 as printed February 5, 2019.)

MISHLER, Chairperson

Committee Vote: Yeas 13, Nays 0.

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#### SENATE MOTION

Madam President: I move that Engrossed House Bill 1238 be amended to read as follows:

Page 1, delete lines 10 through 17, begin a new paragraph and insert:

**"Sec. 1. As used in this chapter, "children's hospital" means either a licensed freestanding general acute care hospital or a licensed full-service freestanding pediatric hospital that does not share a Medicare provider number with an adult hospital, and that:**

**(1) is a:**

- (A) level I trauma center;**
  - (B) level I pediatric trauma center;**
  - (C) hospital that holds the highest perinatal level designation available in the state; or**
  - (D) level IV neonatal care unit;**
- or any combination of the above; and**

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**(2) either:**

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

**(B) furnishes services to inpatients who are predominantly individuals less than eighteen (18) years of age, as determined using the same criteria used by the Medicare program to determine whether a hospital's services are furnished to inpatients who are predominantly individuals less than eighteen (18) years of age."**

Page 2, delete lines 1 through 5.

(Reference is to EHB 1238 as printed April 12, 2019.)

CHARBONNEAU

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SENATE MOTION

Madam President: I move that Engrossed House Bill 1238 be amended to read as follows:

Page 3, line 3, after "(4)" insert "**A representative of a children's hospital located in a state that borders Indiana.**

**(5) An employee of the state budget agency with expertise in the Medicaid program.**

**(6)".**

(Reference is to EHB 1238 as printed April 12, 2019.)

CHARBONNEAU

