

HOUSE BILL No. 1270

DIGEST OF INTRODUCED BILL

Citations Affected: IC 16-18-2-251; IC 16-21; IC 27-1; IC 27-2-26.

Synopsis: Nonprofit hospital and insurer reporting. Requires a nonprofit hospital with more than 100 beds to report annually specified financial information to the state department of health. Requires a nonprofit hospital and a health carrier to post and send certain information at least 45 days before a public forum. Modifies requirements concerning the: (1) date on which the public forum must be held; (2) topics that must be discussed at a public forum; (3) submission of questions and feedback at a public forum; and (4) use of technology to allow attendance through real time audio and video through the Internet. Requires the insurance commissioner to report to the legislative council if the federal Transparency in Health Coverage rule (federal rule) is repealed or enforcement is stopped. Requires health payers to continue to post pricing information in compliance with the federal rule after the federal rule is repealed or stopped. Modifies the definition of "health payer" for purposes of the all payer claims data base.

Effective: Upon passage; July 1, 2022.

Schaibley

January 10, 2022, read first time and referred to Committee on Public Health.



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 BILL No. 1270

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

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

1 SECTION 1. IC 16-18-2-251 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2022]: Sec. 251. "Nonprofit
3 hospital", for purposes of **IC 16-21-6-3 and** IC 16-21-9, has the
4 meaning set forth in IC 16-21-9-3.

5 SECTION 2. IC 16-21-6-3, AS AMENDED BY P.L.2-2007,
6 SECTION 190, IS AMENDED TO READ AS FOLLOWS
7 [EFFECTIVE JULY 1, 2022]: Sec. 3. (a) Each hospital shall file with
8 the state department a report for the preceding fiscal year within one
9 hundred twenty (120) days after the end of the hospital's fiscal year.
10 The state department shall grant an extension of the time to file the
11 report if the hospital shows good cause for the extension. The report
12 must contain the following:

- 13 (1) A copy of the hospital's balance sheet, including a statement
14 describing the hospital's total assets and total liabilities.
- 15 (2) A copy of the hospital's income statement.
- 16 (3) A statement of changes in financial position.
- 17 (4) A statement of changes in fund balance.



- 1 (5) Accountant notes pertaining to the report.
 2 (6) A copy of the hospital's report required to be filed annually
 3 under 42 U.S.C. 1395g, and other appropriate utilization and
 4 financial reports required to be filed under federal statutory law.
 5 (7) Net patient revenue.
 6 (8) A statement including:
 7 (A) Medicare gross revenue;
 8 (B) Medicaid gross revenue;
 9 (C) other revenue from state programs;
 10 (D) revenue from local government programs;
 11 (E) local tax support;
 12 (F) charitable contributions;
 13 (G) other third party payments;
 14 (H) gross inpatient revenue;
 15 (I) gross outpatient revenue;
 16 (J) contractual allowance;
 17 (K) any other deductions from revenue;
 18 (L) charity care provided;
 19 (M) itemization of bad debt expense; and
 20 (N) an estimation of the unreimbursed cost of subsidized
 21 health services.
 22 (9) A statement itemizing donations.
 23 (10) A statement describing the total cost of reimbursed and
 24 unreimbursed research.
 25 (11) A statement describing the total cost of reimbursed and
 26 unreimbursed education separated into the following categories:
 27 (A) Education of physicians, nurses, technicians, and other
 28 medical professionals and health care providers.
 29 (B) Scholarships and funding to medical schools, and other
 30 postsecondary educational institutions for health professions
 31 education.
 32 (C) Education of patients concerning diseases and home care
 33 in response to community needs.
 34 (D) Community health education through informational
 35 programs, publications, and outreach activities in response to
 36 community needs.
 37 (E) Other educational services resulting in education related
 38 costs.
 39 (b) The information in the report filed under subsection (a) must be
 40 provided from reports or audits certified by an independent certified
 41 public accountant or by the state board of accounts.
 42 (c) **In addition to the information required in subsection (a), a**



1 **nonprofit hospital that has more than one hundred (100) beds shall**
 2 **submit the following as part of the report required by this section:**

3 **(1) Federal form 990, Schedule H, Part I, 7(a), financial**
 4 **assistance at cost, worksheet 1 or other similar**
 5 **documentation, or its successor form or schedule.**

6 **(2) Federal form 990, Schedule H, Part I, 7(b), Medicaid,**
 7 **worksheet 3, column a, or its successor form or schedule.**

8 **(3) Federal form 990, Schedule H, Part I, 7(c), costs of other**
 9 **means-tested government programs, worksheet 3, column b,**
 10 **or its successor form or schedule.**

11 **(4) Federal form 990, Schedule H, Part I, 7(e), community**
 12 **health improvement services and community benefit**
 13 **operations, worksheet 4 or other similar documentation, or its**
 14 **successor form or schedule.**

15 **(5) Federal form 990, Schedule H, Part I, 7(f), health**
 16 **professions education, worksheet 5 or other similar**
 17 **documentation, or its successor form or schedule.**

18 **(6) Federal form 990, Schedule H, Part I, 7(g), subsidized**
 19 **health services, worksheet 6 or other similar documentation,**
 20 **or its successor form or schedule.**

21 **(7) Federal form 990, Schedule H, Part I, 7(h), research,**
 22 **worksheet 7 or other similar documentation, or its successor**
 23 **form or schedule.**

24 **(8) Federal form 990, Schedule H, Part I, 7(i), cash and in kind**
 25 **contributions for community benefit, worksheet 8, or its**
 26 **successor form or schedule.**

27 **(9) Federal form 990, Schedule H, Part II, community**
 28 **building activities, lines 1 through 9, or its successor form or**
 29 **schedule, and including specific initiatives and related net**
 30 **expenses for each line.**

31 **(10) Federal form 990, Schedule H, Part III, section A, bad**
 32 **debt expense, lines 2 through 3, or its successor form or**
 33 **schedule, and including calculations to support the data**
 34 **entered.**

35 **(11) Federal form 990, Schedule H, Part III, section B,**
 36 **Medicare, lines 5 through 7, or its successor form or schedule,**
 37 **and including calculations to support the data entered.**

38 **The nonprofit hospital may redact information included in these**
 39 **forms if the redaction is necessary to comply with the federal**
 40 **Health Insurance Portability and Accountability Act (HIPAA)**
 41 **(P.L. 104-191).**

42 SECTION 3. IC 16-21-9-3.5, AS AMENDED BY P.L.199-2021,



1 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 UPON PASSAGE]: Sec. 3.5. (a) This section does not apply to the
3 following:

- 4 (1) A nonprofit critical access hospital that is not:
5 (A) part of a hospital system; or
6 (B) an affiliate of a hospital or hospital system.
7 (2) A hospital that is established and operated under IC 16-22 or
8 IC 16-23.

9 (b) Before ~~December 31~~ **November 15** of each year, a nonprofit
10 hospital shall hold a public forum in which the nonprofit hospital,
11 including the nonprofit hospital's board of directors, shall:

- 12 (1) obtain feedback from the community about the nonprofit
13 hospital's performance in the previous year;
14 (2) discuss the pricing of **inpatient and outpatient** health
15 services provided at:
16 (A) the nonprofit hospital; and
17 **(B) affiliates of the nonprofit hospital; and**
18 (3) discuss the contributions made by the nonprofit hospital to the
19 community, including uncompensated care, charitable
20 contributions, and any other charitable assistance programs.

21 (c) At least ~~fourteen (14)~~ **forty-five (45)** days before the forum held
22 under subsection (b), the nonprofit hospital shall post on the nonprofit
23 hospital's Internet web site the following:

- 24 (1) A printed notice that:
25 (A) is designed, lettered, and featured on the Internet web site
26 so as to be conspicuous to and readable by any individual with
27 normal vision who visits the Internet web site;
28 (B) states the date, time, and location of the public forum to be
29 held under subsection (b); ~~and~~
30 **(C) provides instructions that describe how members of the**
31 **community and the public can attend the public forum**
32 **through real time audio and video technology through the**
33 **Internet; and**
34 ~~(D)~~ **(D)** states that the purpose of the public forum is to
35 provide members of the community with an opportunity to:
36 (i) comment on the nonprofit hospital's performance in the
37 previous year;
38 (ii) discuss the pricing of **inpatient and outpatient** health
39 services provided at the nonprofit hospital **and affiliates of**
40 **the nonprofit hospital; and**
41 (iii) discuss the contributions made by the hospital to the
42 community, including uncompensated care, charitable



- 1 contributions, and any other charitable assistance programs.
 2 (2) The following information relating to the subjects to be
 3 discussed at the public forum held under subsection (b):
 4 (A) The nonprofit hospital's Indiana specific income statement
 5 for the previous calendar year that is prepared according to
 6 generally accepted accounting principles.
 7 (B) Information concerning:
 8 (i) the nonprofit hospital's pricing of health services in
 9 comparison to the amounts of reimbursement for the health
 10 services under the Medicare program;
 11 (ii) the rationale for any pricing of health services by the
 12 nonprofit hospital that is higher than the corresponding
 13 reimbursement for the health services under the Medicare
 14 program; and
 15 (iii) any increase in the nonprofit hospital's pricing of health
 16 services that occurred in the previous year.

17 **(d) At the public forum held under this section, a nonprofit**
 18 **hospital must allow members of the community to ask questions**
 19 **and provide feedback during the public forum. A nonprofit**
 20 **hospital may allow, but may not require, members of the**
 21 **community to submit questions and feedback in advance of the**
 22 **public forum.**

23 ~~(d)~~ **(e) The public forum requirement held under this section may**
 24 **be held, either all or in part, must be accessible through an interactive**
 25 **real time audio and video meeting that is accessible to the community**
 26 **technology through the Internet. The technology must allow:**

- 27 **(1) members of the community to hear, see, and participate in**
 28 **the public forum in real time; and**
 29 **(2) the public to hear and see the public forum in real time.**

30 **(f) At least forty-five (45) days before the public forum held**
 31 **under subsection (b), the nonprofit hospital shall send the printed**
 32 **notice described in subsection (c)(1) to the state department.**

33 SECTION 4. IC 27-1-44.3 IS ADDED TO THE INDIANA CODE
 34 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 35 UPON PASSAGE]:

36 **Chapter 44.3. Transparency in Health Coverage**

37 **Sec. 1. (a) As used in this chapter, "health payer" refers to the**
 38 **following:**

- 39 **(1) An insurer that issues an individual or group policy of**
 40 **accident and sickness insurance (as defined in IC 27-8-5-1).**
 41 **(2) A health maintenance organization (as defined in**
 42 **IC 27-13-1-19) for purposes of individual contracts and group**



- 1 contracts.
- 2 (3) A pharmacy benefit manager (as defined in
- 3 IC 27-1-24.5-12).
- 4 (4) An administrator (as defined in IC 27-1-25-1).
- 5 (b) The term does not include an insurer that issues a policy of
- 6 accident and sickness insurance for purposes of the following types
- 7 of coverage:
- 8 (1) Accident only, credit, dental, vision, Medicare supplement,
- 9 long term care, or disability income insurance.
- 10 (2) Coverage issued as a supplement to liability insurance.
- 11 (3) Automobile medical payment insurance.
- 12 (4) A specified disease policy.
- 13 (5) A policy that provides indemnity benefits not based on any
- 14 expense incurred requirements, including a plan that provides
- 15 coverage for:
- 16 (A) hospital confinement, critical illness, or intensive care;
- 17 or
- 18 (B) gaps for deductibles or copayments.
- 19 (6) Worker's compensation or similar insurance.
- 20 (7) A student health plan.
- 21 (8) A supplemental plan that always pays in addition to other
- 22 coverage.
- 23 (9) An employer sponsored health benefit plan that is:
- 24 (A) provided to individuals who are eligible for Medicare;
- 25 and
- 26 (B) not marketed as, or held out to be, a Medicare
- 27 supplement policy.
- 28 **Sec. 2. If:**
- 29 (1) the federal Transparency in Health Coverage rule (85 FR
- 30 72158) is repealed; or
- 31 (2) federal enforcement of the federal Transparency in Health
- 32 Coverage rule is stopped;
- 33 the insurance commissioner appointed under IC 27-1-1-2 shall
- 34 notify the legislative council in an electronic format under
- 35 IC 5-14-6 of the occurrence referred to in subdivision (1) or (2).
- 36 **Sec. 3. (a)** This section takes effect when the legislative council
- 37 receives a notification from the insurance commissioner under
- 38 section 2 of this chapter. A health payer shall post pricing
- 39 information in compliance with the federal Transparency in Health
- 40 Coverage rule, as published at 85 FR 72158 and in effect on
- 41 January 11, 2021.
- 42 (b) The insurance commissioner may adopt rules under



- 1 **IC 4-22-2 necessary to implement this section.**
2 SECTION 5. IC 27-1-44.5-2, AS AMENDED BY P.L.195-2021,
3 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 UPON PASSAGE]: Sec. 2. As used in this chapter, "health payer"
5 includes the following:
6 (1) Medicare.
7 (2) Medicaid or a managed care organization (as defined in
8 IC 12-7-2-126.9) that has contracted with Medicaid to provide
9 services to a Medicaid recipient.
10 (3) An insurer that issues a policy of accident and sickness
11 insurance (as defined in IC 27-8-5-1), except for the following
12 types of coverage:
13 (A) Accident only, credit, dental, vision, ~~Medicare~~
14 ~~supplement~~, long term care, or disability income insurance.
15 (B) Coverage issued as a supplement to liability insurance.
16 (C) Automobile medical payment insurance.
17 (D) A specified disease policy.
18 (E) A policy that provides indemnity benefits not based on any
19 expense incurred requirements, including a plan that provides
20 coverage for:
21 (i) hospital confinement, critical illness, or intensive care; or
22 (ii) gaps for deductibles or copayments.
23 (F) Worker's compensation or similar insurance.
24 (G) A student health plan.
25 (H) A supplemental plan that always pays in addition to other
26 coverage.
27 ~~(I) An employer sponsored health benefit plan that is:~~
28 ~~(i) provided to individuals who are eligible for Medicare;~~
29 ~~and~~
30 ~~(ii) not marketed as, or held out to be, a Medicare~~
31 ~~supplement policy.~~
32 (4) A health maintenance organization (as defined in
33 IC 27-13-1-19).
34 (5) A pharmacy benefit manager (as defined in IC 27-1-24.5-12).
35 (6) An administrator (as defined in IC 27-1-25-1).
36 (7) Any other person identified by the commissioner for
37 participation in the data base described in this chapter.
38 SECTION 6. IC 27-2-26-2, AS ADDED BY P.L.151-2021,
39 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
40 UPON PASSAGE]: Sec. 2. (a) Before ~~December 31~~ **November 15** of
41 each year, a health carrier shall hold a public forum in which the health
42 carrier shall:



- 1 (1) obtain feedback from the community about the health carrier's
 2 performance in the previous year; and
 3 (2) discuss the premiums (as defined in IC 27-1-2-3(w)) charged
 4 by the health carrier.
- 5 (b) The public forum ~~required under subsection (a) may be held~~
 6 **under this section either all or in part, must be accessible** through an
 7 interactive real time audio and video meeting that is accessible to the
 8 community through the Internet. **The technology must allow:**
 9 **(1) members of the community to hear, see, and participate in**
 10 **the public forum in real time; and**
 11 **(2) the public to hear and see the public forum in real time.**
- 12 (c) **At the public forum held under this section, a health carrier**
 13 **must allow members of the community to ask questions and**
 14 **provide feedback during the public forum. A health carrier may**
 15 **allow, but may not require, members of the community to submit**
 16 **questions and feedback in advance of the public forum.**
- 17 SECTION 7. IC 27-2-26-3, AS ADDED BY P.L.151-2021,
 18 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 19 UPON PASSAGE]: Sec. 3. At least ~~fourteen (14)~~ **forty-five (45)** days
 20 before the public forum required by this chapter is held, the health
 21 carrier shall post on the health carrier's Internet web site the following:
 22 (1) A printed notice that:
 23 (A) is designed, lettered, and featured on the Internet web site
 24 in a manner that is conspicuous to and readable by any
 25 individual with normal vision who visits the Internet web site;
 26 (B) states the date, time, and location of the public forum; ~~and~~
 27 **(C) provides instructions that describe how members of the**
 28 **community and the public can attend the public forum**
 29 **through real time audio and video technology through the**
 30 **Internet; and**
 31 ~~(D)~~ **(D)** states that the purpose of the public forum is to
 32 provide members of the community with an opportunity to:
 33 (i) comment on the health carrier's performance in the
 34 previous year; and
 35 (ii) discuss the premiums (as defined in IC 27-1-2-3(w))
 36 charged by the health carrier.
- 37 (2) The following information concerning the subjects to be
 38 discussed at the public forum:
 39 (A) The health carrier's Indiana based profits, if the health
 40 carrier is publicly traded.
 41 (B) The premiums (as defined in IC 27-1-2-3(w)) charged by
 42 the health carrier.



- 1 (C) The health carrier's strategy to lower health care costs.
- 2 (D) Any increase in the health carrier's premiums, on average
- 3 statewide, that occurred in the previous year for each health
- 4 carrier.
- 5 (E) Annual audited financial reports, if required under
- 6 IC 27-1-3.5-6 and if the health carrier is publicly traded.
- 7 **SECTION 8. An emergency is declared for this act.**

