

# HOUSE BILL No. 1275

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 31-26-5-2.5; IC 31-27-2-13.

**Synopsis:** Child services funding. Requires the department of child services (department) to annually review the hourly and per diem reimbursement rates for community based providers compared to the average statewide cost of providing services. Requires the department to establish individualized compensation rates for child caring institutions, group homes, and child placing agencies that are based on the cost of providing care and services. Requires the department to increase the hourly family preservation rates by 15%.

**Effective:** Upon passage; July 1, 2020.

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January 14, 2020, read first time and referred to Committee on Ways and Means.

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Second Regular Session of the 121st General Assembly (2020)

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 2019 Regular Session of the General Assembly.

## HOUSE BILL No. 1275

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A BILL FOR AN ACT to amend the Indiana Code concerning family law and juvenile law.

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

- 1 SECTION 1. IC 31-26-5-2.5, AS ADDED BY P.L.108-2019,  
2 SECTION 238, IS AMENDED TO READ AS FOLLOWS  
3 [EFFECTIVE JULY 1, 2020]: Sec. 2.5. (a) Beginning October 1, 2019,  
4 the department shall use a per diem model to reimburse community  
5 based providers for providing family preservation services.  
6 (b) The department shall develop, and update as needed, procedures  
7 to determine an appropriate per diem rate under subsection (a),  
8 **including the annual review described in subsection (c).**  
9 (c) **Beginning October 1, 2020, the department shall annually**  
10 **review the hourly and per diem reimbursement rates for**  
11 **community based providers compared to the average statewide**  
12 **cost of providing services, including:**  
13 (1) **specific costs related to evidence based programs approved**  
14 **by the department; and**  
15 (2) **allowing for a reasonable operating margin.**  
16 (d) **The director of the department may increase the hourly or**  
17 **per diem reimbursement rate for services provided in areas of the**



1 state:

2 (1) that are determined to be more difficult to serve; or

3 (2) in which the cost for providing services is higher;

4 when compared to other areas of the state, at the discretion of the  
5 director of the department.

6 SECTION 2. IC 31-27-2-13 IS ADDED TO THE INDIANA CODE  
7 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
8 1, 2020]: **Sec. 13. The department shall establish individualized  
9 compensation rates for child caring institutions, group homes, and  
10 child placing agencies licensed and monitored under this article  
11 that are based on the cost of providing care and services. The costs  
12 considered in determining the individualized compensation rates  
13 must:**

14 (1) be reasonable, necessary, and related to the care of  
15 children;

16 (2) be related to the services or goods actually provided by the  
17 entity; and

18 (3) include a reasonable operating margin.

19 SECTION 3. [EFFECTIVE UPON PASSAGE] (a) Not later than  
20 July 1, 2020, and within the limits of available funding, the  
21 department of child services shall increase the hourly family  
22 preservation rates that were in effect on January 1, 2020, by fifteen  
23 percent (15%). However, if the amount of available funding is not  
24 sufficient to increase the hourly family preservation rates that were  
25 in effect on January 1, 2020, by fifteen percent (15%), the  
26 department of child services shall increase the rates to the  
27 maximum amount permitted within the limits of available funding.

28 (b) This SECTION expires July 1, 2023.

29 SECTION 4. An emergency is declared for this act.

