

First Regular Session of the 122nd General Assembly (2021)

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 2020 Regular Session of the General Assembly.

HOUSE ENROLLED ACT No. 1305

AN ACT to amend the Indiana Code concerning Medicaid.

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

SECTION 1. IC 12-7-2-32.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY 1, 2021]: **Sec. 32.5. "Children's hospital", for purposes of IC 12-15-15-1.2, has the meaning set forth in IC 12-15-15-1.2(b).**

SECTION 2. IC 12-15-15-1.2 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY 1, 2021]: **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

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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) 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.

(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.

(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 3. IC 12-15-15-12 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2021]: Sec. 12. (a) By November 1, 2022, and by November 1, 2023, the budget committee shall review the Medicaid reimbursements provided under section 1.2 of this chapter for children's hospitals that are located in a state bordering Indiana. The budget committee's review shall include the following for patients who are less than nineteen (19) years of age:

- (1) For the state fiscal year most recently ended:
 - (A) the total number of inpatients served;
 - (B) the total number of outpatients served;
 - (C) the total amount of state funding expended for inpatient services; and
 - (D) the total amount of state funding expended for outpatient services.
- (2) In the case of the first review by November 1, 2022, for the current state fiscal year:



(A) an estimate of the total number of inpatients expected to be served;

(B) an estimate of the total number of outpatients expected to be served;

(C) an estimate of the total amount of state funding expected to be expended for inpatient services; and

(D) an estimate of the total amount of state funding expected to be expended for outpatient services.

(b) Each children's hospital located in a state bordering Indiana that receives state funding under section 1.2 of this chapter shall provide the information required by subsection (a) to the family and social services administration not later than August 1, 2022, and August 1, 2023.

(c) This section expires January 1, 2024.



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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