



Reprinted  
February 7, 2017

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## HOUSE BILL No. 1335

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DIGEST OF HB 1335 (Updated February 6, 2017 3:28 pm - DI 77)

**Citations Affected:** IC 12-7; IC 12-21; IC 12-24.

**Synopsis:** State institutions. Includes the Neurodiagnostic Institute and Advanced Treatment Center as a state institution. Allows for the instruction of medical students at all state institutions. (Current law allows for instruction of medical students only at Larue D. Carter Memorial Hospital.) Authorizes the director of the division of mental health and addiction to contract for the management and clinical operation of any state institution, including contracting with an entity for services. (Current law allows for only Larue D. Carter Memorial Hospital.)

**Effective:** July 1, 2017.

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### Kirchhofer, Zent

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January 12, 2017, read first time and referred to Committee on Public Health.  
January 26, 2017, amended, reported — Do Pass.  
February 6, 2017, read second time, amended, ordered engrossed.

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HB 1335—LS 7218/DI 104





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First Regular Session of the 120th General Assembly (2017)

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 2016 Regular Session of the General Assembly.

## HOUSE BILL No. 1335

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

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

- 1 SECTION 1. IC 12-7-2-184, AS AMENDED BY P.L.188-2013,  
2 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2017]: Sec. 184. (a) "State institution" means an institution:  
4 (1) owned or operated by the state;  
5 (2) for the observation, care, treatment, or detention of an  
6 individual; and  
7 (3) under the administrative control of a division.  
8 (b) The term includes the following:  
9 (1) Evansville State Hospital.  
10 (2) Evansville State Psychiatric Treatment Center for Children.  
11 (3) Larue D. Carter Memorial Hospital.  
12 (4) Logansport State Hospital.  
13 (5) Madison State Hospital.  
14 (6) Richmond State Hospital.  
15 (7) **The Neurodiagnostic Institute and Advanced Treatment**  
16 **Center.**  
17 SECTION 2. IC 12-21-2-3, AS AMENDED BY P.L.35-2016,

HB 1335—LS 7218/DI 104



1 SECTION 56, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
2 JULY 1, 2017]: Sec. 3. The secretary or the secretary's designee shall  
3 do the following:

4 (1) Organize the division, create the appropriate personnel  
5 positions, and employ personnel necessary to discharge the  
6 statutory duties and powers of the division or a bureau of the  
7 division.

8 (2) Subject to the approval of the state personnel department,  
9 establish personnel qualifications for all deputy directors,  
10 assistant directors, bureau heads, and superintendents.

11 (3) Subject to the approval of the budget director and the  
12 governor, establish the compensation of all deputy directors,  
13 assistant directors, bureau heads, and superintendents.

14 (4) Study the entire problem of mental health, mental illness, and  
15 addictions existing in Indiana.

16 (5) Adopt rules under IC 4-22-2 for the following:

17 (A) Standards for the operation of private institutions that are  
18 licensed under IC 12-25 for the diagnosis, treatment, and care  
19 of individuals with psychiatric disorders, addictions, or other  
20 abnormal mental conditions.

21 (B) Licensing or certifying community residential programs  
22 described in IC 12-22-2-3.5 for individuals with serious  
23 mental illness (SMI), serious emotional disturbance (SED), or  
24 chronic addiction (CA) with the exception of psychiatric  
25 residential treatment facilities.

26 (C) Certifying community mental health centers to operate in  
27 Indiana.

28 (D) Establish exclusive geographic primary service areas for  
29 community mental health centers. The rules must include the  
30 following:

31 (i) Criteria and procedures to justify the change to the  
32 boundaries of a community mental health center's primary  
33 service area.

34 (ii) Criteria and procedures to justify the change of an  
35 assignment of a community mental health center to a  
36 primary service area.

37 (iii) A provision specifying that the criteria and procedures  
38 determined in items (i) and (ii) must include an option for  
39 the county and the community mental health center to  
40 initiate a request for a change in primary service area or  
41 provider assignment.

42 (iv) A provision specifying the criteria and procedures



1 determined in items (i) and (ii) may not limit an eligible  
 2 consumer's right to choose or access the services of any  
 3 provider who is certified by the division of mental health  
 4 and addiction to provide public supported mental health  
 5 services.

6 (6) Institute programs, in conjunction with an accredited college  
 7 or university and with the approval, if required by law, of the  
 8 commission for higher education, for the instruction of students  
 9 of mental health and other related occupations. The programs may  
 10 be designed to meet requirements for undergraduate and  
 11 postgraduate degrees and to provide continuing education and  
 12 research.

13 (7) Develop programs to educate the public in regard to the  
 14 prevention, diagnosis, treatment, and care of all abnormal mental  
 15 conditions.

16 (8) Make the facilities of the ~~Larue D. Carter Memorial Hospital~~  
 17 **state institutions** available for the instruction of medical  
 18 students, student nurses, interns, and resident **and fellow**  
 19 physicians under the supervision of the faculty of ~~the Indiana~~  
 20 ~~University School of Medicine for use by the school~~ **any**  
 21 **accredited school of medicine or osteopathy located in Indiana**  
 22 **or an accredited residency or fellowship training program** in  
 23 connection with research and instruction in psychiatric disorders.

24 (9) Institute a stipend program designed to improve the quality  
 25 and quantity of staff that state institutions employ.

26 (10) Establish, supervise, and conduct community programs,  
 27 either directly or by contract, for the diagnosis, treatment, and  
 28 prevention of psychiatric disorders.

29 (11) Adopt rules under IC 4-22-2 concerning the records and data  
 30 to be kept concerning individuals admitted to state institutions,  
 31 community mental health centers, or other providers.

32 (12) Compile information and statistics concerning the ethnicity  
 33 and gender of a program or service recipient.

34 (13) Establish standards for services described in IC 12-7-2-40.6  
 35 for community mental health centers and other providers.

36 SECTION 3. IC 12-24-1-3, AS AMENDED BY P.L.229-2011,  
 37 SECTION 147, IS AMENDED TO READ AS FOLLOWS  
 38 [EFFECTIVE JULY 1, 2017]: Sec. 3. (a) The director of the division  
 39 of mental health and addiction has administrative control of and  
 40 responsibility for the **state institution network operating as an**  
 41 **integrated mental health system, including the following: state**  
 42 **institutions:**



- 1 (1) Evansville State Hospital.  
 2 (2) Evansville State Psychiatric Treatment Center for Children.  
 3 (3) Larue D. Carter Memorial Hospital.  
 4 (4) Logansport State Hospital.  
 5 (5) Madison State Hospital.  
 6 (6) Richmond State Hospital.  
 7 **(7) The Neurodiagnostic Institute and Advanced Treatment**  
 8 **Center.**  
 9 ~~(7)~~ **(8)** Any other state owned or operated mental health  
 10 institution, **including a freestanding facility or satellite facility.**  
 11 (b) Subject to the approval of the director of the budget agency and  
 12 the governor, the director of the division of mental health and addiction  
 13 may contract for the management and clinical operation of ~~Larue D.~~  
 14 ~~Carter Memorial Hospital.~~ **any state institution, including**  
 15 **contracting with a nonstate entity for services.**  
 16 (c) Before July 1, 2014, the Evansville State Psychiatric Treatment  
 17 Center for Children and the Evansville State Hospital may not be  
 18 closed, merged into one (1) facility, or merged with another facility  
 19 unless:  
 20 (1) authorized by an enactment of the general assembly; or  
 21 (2) recommended by the council established by section 3.5 of this  
 22 chapter before January 1, 2014.



## COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Health, to which was referred House Bill 1335, 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 4, line 12, after "including" insert "**contracting with a nonstate facility for patient support services.**".

Page 4, delete lines 13 through 14.

and when so amended that said bill do pass.

(Reference is to HB 1335 as introduced.)

KIRCHHOFER

Committee Vote: yeas 13, nays 0.

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HOUSE MOTION

Mr. Speaker: I move that House Bill 1335 be amended to read as follows:

Page 3, line 18, after "resident" insert "**and fellow**".

Page 3, line 19, strike "the Indiana University School of".

Page 3, line 20, strike "Medicine for use by the school" and insert "**any accredited school of medicine or osteopathy located in Indiana or an accredited residency or fellowship training program**".

Page 4, line 13, delete "facility for patient support" and insert "**entity for**".

(Reference is to HB 1335 as printed January 27, 2017.)

KIRCHHOFER

