



Reprinted
March 4, 2014

ENGROSSED HOUSE BILL No. 1391

DIGEST OF HB 1391 (Updated March 3, 2014 7:55 pm - DI 110)

Citations Affected: IC 12-7; IC 12-10; IC 16-18; IC 16-28; IC 16-29.

Synopsis: Community living pilot program; nursing facility moratorium. Beginning January 1, 2015, establishes the community living pilot program (program) until June 30, 2017. Sets forth eligibility requirements to participate in the program. Requires the division of aging (division) to administer the program. Requires the division, in consultation with the area agencies on aging, to: (1) designate four area agencies on aging to participate in the program and sets forth criteria
(Continued next page)

Effective: Upon passage; June 30, 2014; July 1, 2014.

Clere, Brown C, Negele, Kubacki

(SENATE SPONSORS — BECKER, BREAUX, ECKERTY, BRODEN,
STOOPS)

January 21, 2014, read first time and referred to Committee on Family, Children and Human Affairs.

January 23, 2014, amended, reported — Do Pass. Referred to Committee on Ways and Means pursuant to Rule 127.

January 28, 2014, amended, reported — Do Pass.

January 30, 2014, read second time, amended, ordered engrossed.

January 31, 2014, engrossed.

February 3, 2014, read third time, passed. Yeas 96, nays 0.

SENATE ACTION

February 10, 2014, read first time and referred to Committee on Health and Provider Services.

February 20, 2014, amended, reported favorably — Do Pass; reassigned to Committee on Appropriations.

February 27, 2014, amended, reported favorably — Do Pass.

March 3, 2014, read second time, amended, ordered engrossed.

EH 1391—LS 6662/DI 104



Digest Continued

to consider in the designation; and (2) develop policies on specified issues. Requires reporting of program data and outcome measures to various entities on specified dates. Defines "under development" for purposes of the moratorium on nursing facility comprehensive care beds. Prohibits the state department of health from approving the licensure of comprehensive care health facilities or new or converted comprehensive care beds. Prohibits residential nursing care facility beds from being converted to comprehensive care beds. Adds exemptions for: (1) health facilities under development as of June 30, 2014; (2) certain replacement facilities; (3) continuing care retirement communities; and (4) certain comprehensive care health facilities located in a county that has a countywide comprehensive care bed occupancy rate of more than 90%. Specifies that the state department of health makes the final determination concerning whether an entity is under development. Postpones the expiration of the moratorium from June 30, 2014, to June 30, 2016.



Reprinted
March 4, 2014

Second Regular Session 118th General Assembly (2014)

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 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1391

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 12-7-2-22, AS AMENDED BY P.L.145-2006,
2 SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2014]: Sec. 22. "Board" means the following:

4 (1) For purposes of IC 12-10-10, **IC 12-10-10.5**, and IC 12-10-11,
5 the community and home options to institutional care for the
6 elderly and disabled board established by IC 12-10-11-1.

7 (2) For purposes of 12-12-7-5, the meaning set forth in
8 IC 12-12-7-5(a).

9 (3) For purposes of IC 12-15-35, the meaning set forth in
10 IC 12-15-35-2.

11 SECTION 2. IC 12-7-2-44.6 IS AMENDED TO READ AS
12 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 44.6. "Countable asset"
13 means the following:

14 (1) For purposes of **IC 12-10-10.5**, in determining eligibility
15 for the community living pilot program, property that is
16 included in determining assets in the same manner as

EH 1391—LS 6662/DI 104



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42

determining an individual's eligibility for the Medicaid aged and disabled waiver.

(2) For purposes of IC 12-20, means noncash property that is not necessary for the health, safety, or decent living standard of a household that:

- ~~(1)~~ **(A)** is owned wholly or in part by the applicant or a member of the applicant's household;
- ~~(2)~~ **(B)** the applicant or the household member has the legal right to sell or liquidate; and
- ~~(3)~~ **(C)** includes:
 - ~~(A)~~ **(i)** real property other than property that is used for the production of income or that is the primary residence of the household;
 - ~~(B)~~ **(ii)** savings and checking accounts, certificates of deposit, bonds, stocks, and other intangibles that have a net cash value; and
 - ~~(C)~~ **(iii)** boats, other vehicles, or any other personal property used solely for recreational or entertainment purposes.

SECTION 3. IC 12-7-2-76, AS AMENDED BY P.L.145-2006, SECTION 48, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 76. (a) "Eligible individual", for purposes of:

- (1)** IC 12-10-10, has the meaning set forth in IC 12-10-10-4; **and**
- (2) IC 12-10-10.5, has the meaning set forth in IC 12-10-10.5-3.**

(b) "Eligible individual" has the meaning set forth in IC 12-14-18-1.5 for purposes of the following:

- (1) IC 12-10-6.
- (2) IC 12-14-2.
- (3) IC 12-14-18.
- (4) IC 12-14-19.
- (5) IC 12-15-2.
- (6) IC 12-15-3.
- (7) IC 12-16-3.5.
- (8) IC 12-20-5.5.

SECTION 4. IC 12-7-2-146, AS AMENDED BY SEA 24-2014, SECTION 63, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 146. "Program" refers to the following:

- (1) For purposes of IC 12-8-12.5, the meaning set forth in IC 12-8-12.5-1.
- (2) For purposes of IC 12-10-7, the adult guardianship services program established by IC 12-10-7-5.
- (3) For purposes of IC 12-10-10, the meaning set forth in



- 1 IC 12-10-10-5.
 2 **(4) For purposes of IC 12-10-10.5, the meaning set forth in**
 3 **IC 12-10-10.5-4.**
 4 ~~(4) (5) For purposes of IC 12-17.2-2-14, IC 12-17.2-2-14.2, the~~
 5 ~~meaning set forth in IC 12-17.2-2-14. IC 12-17.2-2-14.2(a).~~
 6 ~~(5) (6) For purposes of IC 12-17.2-3.7, IC 12-17.2-3.6, the~~
 7 ~~meaning set forth in IC 12-17.2-3.7-7. IC 12-17.2-3.6-7.~~
 8 ~~(4) (7) For purposes of IC 12-17.2-3.7, IC 12-17.2-3.8, the~~
 9 ~~meaning set forth in IC 12-17.2-3.7-5. IC 12-17.2-3.8-2.~~
 10 ~~(5) (6) (8) For purposes of IC 12-17.6, the meaning set forth in~~
 11 ~~IC 12-17.6-1-5.~~

12 SECTION 5. IC 12-10-10.5 IS ADDED TO THE INDIANA CODE
 13 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 14 JULY 1, 2014]:

15 **Chapter 10.5. Community Living Pilot Program**

16 **Sec. 1. As used in this chapter, "board" refers to the community**
 17 **and home options to institutional care for the elderly and disabled**
 18 **board established by IC 12-10-11-1.**

19 **Sec. 2. As used in this chapter, "case management" means an**
 20 **administrative function conducted locally by an area agency on**
 21 **aging that includes the following:**

- 22 **(1) Assessment of an individual to determine the individual's**
 23 **functional impairment level and corresponding need for**
 24 **services.**
 25 **(2) Initial verification of an individual's income and assets.**
 26 **(3) Development of a care plan that:**
 27 **(A) addresses an eligible individual's needs;**
 28 **(B) takes into consideration the individual's family and**
 29 **community members who are willing to provide services to**
 30 **meet any of the individual's needs; and**
 31 **(C) is consistent with a person centered approach to client**
 32 **care.**
 33 **(4) Supervision of the implementation of appropriate and**
 34 **available services for an eligible individual.**
 35 **(5) Advocacy on behalf of an eligible individual's interests.**
 36 **(6) Monitoring the quality of community and home care**
 37 **services provided to an eligible individual.**
 38 **(7) Reassessment of the care plan to determine:**
 39 **(A) the continuing need and effectiveness of the community**
 40 **and home care services provided to an eligible individual**
 41 **under this chapter; and**
 42 **(B) the annual reverification of a plan recipient's income**



1 and assets, as may be required by the division under
2 section 3(d) of this chapter.

3 **(8) Provision of information and referral services to**
4 **individuals in need of community and home care services.**

5 **Sec. 3. (a) As used in this chapter, "eligible individual" means,**
6 **beginning January 1, 2015, an individual who meets the following**
7 **criteria:**

8 **(1) Is a resident of Indiana.**

9 **(2) Is:**

10 **(A) at least sixty (60) years of age; or**

11 **(B) an individual with a disability.**

12 **(3) Has countable assets that do not exceed two hundred fifty**
13 **thousand dollars (\$250,000). In determining assets under this**
14 **subdivision, the division shall exclude an additional twenty**
15 **thousand dollars (\$20,000) in countable assets.**

16 **(4) Qualifies under criteria developed by the board as having**
17 **an impairment that places the individual at risk of losing the**
18 **individual's independence, as described in subsection (b).**

19 **(b) For purposes of subsection (a), an individual is at risk of**
20 **losing the individual's independence if the individual is unable to**
21 **perform any of the following:**

22 **(1) Two (2) or more activities of daily living. The use by or on**
23 **behalf of the individual of any of the following services or**
24 **devices does not make the individual ineligible for services**
25 **under this chapter:**

26 **(A) Skilled nursing assistance.**

27 **(B) Supervised community and home care services,**
28 **including skilled nursing supervision.**

29 **(C) Adaptive medical equipment and devices.**

30 **(D) Adaptive nonmedical equipment and devices.**

31 **(2) One (1) activity of daily living if, using the needs based**
32 **assessment established under section 10(1) of this chapter, the**
33 **division determines that addressing the single activity of daily**
34 **living would significantly reduce the likelihood of the**
35 **individual's loss of independence and the need for additional**
36 **services.**

37 **(3) An activity if, using the needs based assessment established**
38 **under section 10(1) of this chapter, the division determines**
39 **that targeted intervention or assistance with the activity**
40 **would significantly reduce the likelihood of the individual's**
41 **loss of independence and the need for additional services.**

42 **(c) The division shall, in accordance with standards established**



1 under section 10(3) of this chapter, establish a cost participation
 2 schedule for a program recipient based on the program
 3 participant's income and countable assets. The cost participation
 4 schedule must meet the following:

5 (1) Exclude from cost participation an eligible individual
 6 whose income and countable assets do not exceed one hundred
 7 fifty percent (150%) of the federal income poverty level.

8 (2) In calculating income and countable assets for an eligible
 9 individual, deduct the medical expenses of the following:

10 (A) The individual.

11 (B) The spouse of the individual.

12 (C) The dependent children of the individual.

13 (3) Exclude twenty thousand dollars (\$20,000) of a
 14 participant's countable assets from consideration in
 15 determining a participant's cost participation.

16 (d) The division may require annual reverification for program
 17 participants whom the division determines are likely to experience
 18 a material increase in income or assets. An individual shall submit
 19 the information requested by the division to carry out the
 20 redetermination allowed by this subsection.

21 (e) The division may not require a family or other person to
 22 provide services as a condition of an individual's eligibility for or
 23 participation in the program.

24 Sec. 4. As used in this chapter, "program" refers to the
 25 community living pilot program established by section 5 of this
 26 chapter.

27 Sec. 5. (a) Beginning January 1, 2015, the community living pilot
 28 program is established.

29 (b) The division shall administer the program. The division shall
 30 do the following:

31 (1) In consultation with the area agencies on aging, designate
 32 four (4) area agencies on aging to participate in the program.
 33 In determining the four (4) area agencies on aging to
 34 participate in the program, the division shall consider the
 35 following criteria:

36 (A) Geographic diversity.

37 (B) Urban and rural representation.

38 (C) Size of the area agency on aging's waiting list for
 39 services.

40 (D) Size of the population served by the area agency on
 41 aging.

42 (2) Report data and outcome measures concerning the



1 program to the board and, in an electronic format under
 2 IC 5-14-6, to the legislative council and an appropriate
 3 interim study committee determined by the legislative council
 4 before the following:

5 (A) March 15, 2016.

6 (B) September 15, 2016.

7 (C) March 15, 2017.

8 Each report under this subdivision must include an analysis
 9 on the areas participating in the program and whether
 10 implementation of the program has impacted the admittance
 11 of individuals to comprehensive care beds in nursing facilities
 12 in the area.

13 Sec. 6. (a) Except as provided in subsection (b), the case
 14 management under this chapter of an individual leading to
 15 participation in the program may not be conducted by any agency
 16 that delivers services under the program.

17 (b) If the division determines that there is no alternative agency
 18 capable of delivering services to the individual, the area agency on
 19 aging that performs the assessment under the program may also
 20 deliver the services.

21 (c) The division shall provide the necessary funding to provide
 22 case management services for the program, as determined under
 23 section 10(2) of this chapter.

24 Sec. 7. Except as provided in section 8 of this chapter, state
 25 money for home health services under this chapter must be
 26 distributed only to licensed health care professionals, facilities, and
 27 agencies.

28 Sec. 8. The division shall establish a program to train relatives
 29 of eligible individuals to provide homemaker and personal care
 30 services to those eligible individuals.

31 Sec. 9. The office of the secretary, in consultation with the local
 32 area agencies on aging, shall negotiate reimbursement rates for
 33 services provided under this chapter.

34 Sec. 10. The division, in consultation with the area agencies on
 35 aging, shall develop policies that establish the following:

36 (1) A needs based assessment to be used in determining a
 37 client's needs and care plan under section 2(3) of this chapter.

38 (2) The percentage of program dollars adequate to provide
 39 case management services.

40 (3) A cost participation schedule for program recipients as
 41 required by section 3(c) of this chapter.

42 (4) Program performance measures.



- 1 **(5) Data and outcome measures for the program to be**
 2 **collected and reported under section 5(b)(2) of this chapter.**
 3 **Sec. 11. This chapter expires June 30, 2017.**
 4 SECTION 6. IC 16-18-2-67.1 IS ADDED TO THE INDIANA
 5 CODE AS A NEW SECTION TO READ AS FOLLOWS
 6 [EFFECTIVE JULY 1, 2014]: **Sec. 67.1. "Comprehensive care health**
 7 **facility", for purposes of IC 16-28-16, has the meaning set forth in**
 8 **IC 16-28-16-2.5.**
 9 SECTION 7. IC 16-18-2-316.6 IS ADDED TO THE INDIANA
 10 CODE AS A NEW SECTION TO READ AS FOLLOWS
 11 [EFFECTIVE JULY 1, 2014]: **Sec. 316.6. "Replacement facility", for**
 12 **purposes of IC 16-28-16, has the meaning set forth in**
 13 **IC 16-28-16-3.2.**
 14 SECTION 8. IC 16-28-16-2, AS ADDED BY P.L.229-2011,
 15 SECTION 163, IS AMENDED TO READ AS FOLLOWS
 16 [EFFECTIVE JULY 1, 2014]: Sec. 2. As used in this chapter,
 17 "comprehensive care bed" means a bed that:
 18 (1) is **within a comprehensive care health facility that is**
 19 licensed or is to be licensed under IC 16-28-2;
 20 (2) functions as a bed **within a comprehensive care health**
 21 **facility** licensed under IC 16-28-2; or
 22 (3) is **otherwise** subject to this article.
 23 The term does not include a comprehensive care bed that will be used
 24 solely to provide specialized services and that is subject to IC 16-29.
 25 SECTION 9. IC 16-28-16-2.5 IS ADDED TO THE INDIANA
 26 CODE AS A NEW SECTION TO READ AS FOLLOWS
 27 [EFFECTIVE JULY 1, 2014]: **Sec. 2.5. As used in this chapter,**
 28 **"comprehensive care health facility" means a health facility that**
 29 **provides nursing care, room, food, laundry, administration of**
 30 **medications, special diets, and treatments and that may provide**
 31 **rehabilitative and restorative therapies under the order of an**
 32 **attending physician.**
 33 SECTION 10. IC 16-28-16-3, AS ADDED BY P.L.229-2011,
 34 SECTION 163, IS AMENDED TO READ AS FOLLOWS
 35 [EFFECTIVE JULY 1, 2014]: Sec. 3. As used in this chapter,
 36 "replacement bed" means a comprehensive care bed that is relocated
 37 **from one (1) comprehensive care health facility to a health facility**
 38 **another comprehensive care health facility** that is licensed or is to be
 39 licensed under this article. This term includes comprehensive care beds
 40 that are certified for participation in:
 41 (1) the state Medicaid program; or
 42 (2) both the state Medicaid program and federal Medicare



1 program.
 2 SECTION 11. IC 16-28-16-3.2 IS ADDED TO THE INDIANA
 3 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 4 [EFFECTIVE JULY 1, 2014]: **Sec. 3.2. As used in this chapter,**
 5 **"replacement facility" means a new comprehensive care health**
 6 **facility licensed under or subject to this article after June 30, 2014,**
 7 **that:**

- 8 (1) is constructed to take the place of an existing
 9 comprehensive care health facility that is licensed before July
 10 1, 2014;
 11 (2) is constructed within the same county of the existing
 12 comprehensive care health facility licensed before July 1,
 13 2014; and
 14 (3) contains no more comprehensive care beds than the
 15 existing comprehensive care health facility licensed before
 16 July 1, 2014.

17 SECTION 12. IC 16-28-16-3.5 IS ADDED TO THE INDIANA
 18 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 19 [EFFECTIVE JULY 1, 2014]: **Sec. 3.5. As used in this chapter,**
 20 **"under development" refers to an effort:**

- 21 (1) to add, construct, or convert comprehensive care beds in
 22 a comprehensive care health facility that:
 23 (A) is licensed under;
 24 (B) is to be licensed under;
 25 (C) is subject to; or
 26 (D) will be subject to;
 27 **this article; and**
 28 (2) that meets the following:
 29 (A) Architectural plans have been completed.
 30 (B) Funding to construct the comprehensive care health
 31 facility has been secured and is actively being drawn upon
 32 or otherwise used to further and complete construction.
 33 (C) Zoning requirements have been met.
 34 (D) Construction plans for the comprehensive care health
 35 facility have been submitted to the state department and
 36 the division of fire and building safety.
 37 (E) Active and ongoing construction activities progressing
 38 to completion of the project are occurring at the project
 39 site.

40 SECTION 13. IC 16-28-16-4, AS ADDED BY P.L.229-2011,
 41 SECTION 163, IS AMENDED TO READ AS FOLLOWS
 42 [EFFECTIVE JULY 1, 2014]: **Sec. 4. (a) Except as provided in**



1 subsection (b), the state department may not approve **the following:**

2 **(1) The licensure of comprehensive care health facilities or**
3 **new or converted comprehensive care beds.**

4 **(2) The certification of new or converted comprehensive care**
5 **beds for participation in the state Medicaid program unless the**
6 **statewide comprehensive care bed occupancy rate is more than**
7 **ninety-five percent (95%), as calculated annually on January 1 by**
8 **the state department of health.**

9 **Beds in a health facility that provides residential nursing care**
10 **under IC 16-28 may not be converted to comprehensive care beds.**

11 (b) This section does not apply to the following:

12 **(1) A comprehensive care health facility that:**

13 **(A) is licensed under;**

14 **(B) is to be licensed under;**

15 **(C) is subject to; or**

16 **(D) will be subject to;**

17 **IC 16-28 and that is under development as of June 30, 2014.**

18 **(+) (2) A comprehensive care health facility that:**

19 **(A) seeks a replacement bed exception;**

20 **(B) is licensed or is to be licensed under this article **or is****
21 **under development as of June 30, 2014;**

22 **(C) applies to the state department of health to certify a**
23 **comprehensive care bed for participation in the Medicaid**
24 **program if the comprehensive care bed for which the health**
25 **facility is seeking certification is a replacement bed for an**
26 **existing comprehensive care bed;**

27 **(D) applies to the division of aging **before July 1, 2014**, in the**
28 **manner:**

29 **(i) described in subsection (c); and**

30 **(ii) prescribed by the division; and**

31 **(E) meets the licensure, survey, and certification requirements**
32 **of this article.**

33 **(-) (3) A small house health facility approved under section 6 of**
34 **this chapter.**

35 **(4) A replacement facility, whether or not the replacement**
36 **facility is under development before July 1, 2014. The existing**
37 **comprehensive care health facility that is being replaced by**
38 **the replacement facility:**

39 **(A) must no longer be licensed as a comprehensive care**
40 **health facility sixty (60) days after the replacement facility**
41 **obtains its license from the state department; and**

42 **(B) may transfer, and the replacement facility may accept,**



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42

all of the comprehensive care beds from the existing comprehensive care health facility to the replacement facility without seeking a replacement bed exception.

(5) A continuing care retirement community that was registered under IC 23-2 before July 1, 2014, and continuously maintains registration under IC 23-2. If a continuing care retirement community fails to maintain registration under IC 23-2 after June 30, 2014, the comprehensive care beds, including beds certified for Medicaid or Medicare, that the continuing care retirement community previously operated are not forfeited as long as the continuing care retirement community continues to comply with the licensure and certification requirements of this article.

(6) A:

(A) comprehensive care health facility; or

(B) comprehensive care bed;

that is located or to be located within a county that has a countywide comprehensive care bed occupancy rate of more than ninety percent (90%), as calculated by the state department on January 1 and July 1 of each year. The number of comprehensive care beds allowed under this subdivision may not exceed the number of beds that would cause the countywide comprehensive care bed occupancy rate to either fall below the statewide average or exceed seventy (70) comprehensive care beds per applicant.

(c) An application made under subsection ~~(b)(1)~~ (b)(2) for a replacement bed exception must include the following:

(1) The total number and identification of the existing comprehensive care beds that the applicant requests be replaced by health facility location and by provider.

(2) If the replacement bed is being transferred to a different comprehensive care health facility with the same ownership, a provision that provides the division of aging written verification from the health facility holding the comprehensive care bed certification that the health facility has agreed to transfer the beds to the applicant health facility.

(3) If the replacement bed is being transferred to a different comprehensive care health facility under different ownership, a provision that provides the division of aging a copy of the complete agreement between the comprehensive care health facility transferring the beds and the applicant comprehensive



1 care health facility.
2 (4) Any other information requested by the division of aging
3 necessary to evaluate the transaction.
4 **A replacement bed may be relocated after June 30, 2014, under**
5 **this section only if the comprehensive care health facility applies to**
6 **the division of aging before July 1, 2014, and complies with or will**
7 **comply with section 5 of this chapter.**
8 **(d) The state department shall make the final determination**
9 **concerning whether an entity has met or is meeting the**
10 **requirements of this chapter of being under development.**
11 SECTION 14. IC 16-28-16-5, AS ADDED BY P.L.229-2011,
12 SECTION 163, IS AMENDED TO READ AS FOLLOWS
13 [EFFECTIVE JULY 1, 2014]: Sec. 5. Except in the case of an
14 emergency or a disaster, Medicaid certification of an existing
15 comprehensive care bed may not be transferred to a **new another**
16 location until the **new receiving comprehensive care health** facility
17 is seeking certification of the bed.
18 SECTION 15. IC 16-28-16-6, AS ADDED BY P.L.229-2011,
19 SECTION 163, IS AMENDED TO READ AS FOLLOWS
20 [EFFECTIVE JULY 1, 2014]: Sec. 6. (a) A person planning to
21 construct a small house health facility shall apply to the state
22 department for a license under this article.
23 (b) An applicant under this section, including an entity related to the
24 applicant through common ownership or control, may apply to the state
25 department for Medicaid certification of not more than fifty (50)
26 comprehensive care beds for small house health facilities per year.
27 (c) The state department may not approve **Medicaid** certification of
28 more than one hundred (100) new comprehensive care beds designated
29 for small house health facilities per year.
30 (d) The state department shall approve an application for Medicaid
31 certification for a small house health facility:
32 (1) in the order of the completed application date; and
33 (2) if the applicant meets the definition of a small house health
34 facility and the requirements of this section.
35 (e) A person that fails to complete construction and begin operation
36 of a small house ~~comprehensive care~~ health facility within twelve (12)
37 months after the state department's approval of the application forfeits
38 the person's right to the Medicaid certified comprehensive care beds
39 approved by the state department if:
40 (1) another person has applied to the state department for
41 approval of certified comprehensive care beds for participation in
42 the state Medicaid program **for** at least one (1) small house health



1 facility; and
2 (2) the person's application was denied for the sole reason that the
3 maximum number of Medicaid certified comprehensive care beds
4 specified in subsection (c) had been approved for small house
5 health facilities.
6 SECTION 16. IC 16-28-16-7, AS ADDED BY P.L.229-2011,
7 SECTION 163, IS AMENDED TO READ AS FOLLOWS
8 [EFFECTIVE UPON PASSAGE]: Sec. 7. This chapter expires ~~June 30,~~
9 ~~2014.~~ **June 30, 2016.**
10 SECTION 17. IC 16-29-6 IS REPEALED [EFFECTIVE JUNE 30,
11 2014]. (Comprehensive Care Health Facilities and Medicaid Services).
12 SECTION 18. **An emergency is declared for this act.**



COMMITTEE REPORT

Mr. Speaker: Your Committee on Family, Children and Human Affairs, to which was referred House Bill 1391, 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 14, after "assets." insert "**The division shall exclude ten thousand dollars (\$10,000) of a participant's countable assets from consideration in determining a participant's cost participation.**".

and when so amended that said bill do pass.

(Reference is to HB 1391 as introduced.)

KUBACKI, Chair

Committee Vote: yeas 12, nays 0.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1391, 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 3, line 32, delete "14" and insert "**13**".

Page 5, delete lines 19 through 25.

Page 5, line 26, delete "IC 12-10-10-14" and insert "IC 12-10-10-13".

Page 5, line 28, delete "14." and insert "**13.**".

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1391 as printed January 24, 2014.)

BROWN T, Chair

Committee Vote: yeas 13, nays 4.



HOUSE MOTION

Mr. Speaker: I move that House Bill 1391 be amended to read as follows:

Page 2, line 33, delete "on" and insert "**and whose date of application for the program is before July 1, 2014,**".

Page 2, delete line 34.

Page 2, line 37, delete "who applies" and insert "**whose date of application**".

Page 2, line 37, after "program" insert "is".

Page 4, line 16, after "." insert "**The cost participation schedule established under this subsection may be applied only to an individual whose date of application for the program is after June 30, 2014.**".

Page 5, line 21, after "(a)" insert "**This section applies only to an individual whose date of application for the program is after June 30, 2014.**

(b)".

Page 5, line 28, delete "(b)" and insert "(c)".

(Reference is to HB 1391 as printed January 28, 2014.)

CLERE

 COMMITTEE REPORT

Madam President: The Senate Committee on Health and Provider Services, to which was referred House Bill No. 1391, 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 "JANUARY 1, 2015]:".

Page 1, line 3, delete "1, 2014]:".

Page 1, line 6, delete "JULY 1, 2014]:" and insert "JANUARY 1, 2015]:".

Page 2, line 20, delete "JULY 1, 2014]:" and insert "JANUARY 1, 2015]:".

Page 2, line 26, delete "JULY 1, 2014]:" and insert "JANUARY 1, 2015]:".

Page 2, line 34, delete "July 1," and insert "**January 1, 2015,**".

Page 2, line 35, delete "2014,".

Page 2, line 38, delete "June 30," and insert "**December 31,**".

EH 1391—LS 6662/DI 104



Page 3, line 4, delete "ten" and insert "twenty".

Page 3, line 5, delete "(\$10,000)" and insert "(\$20,000)".

Page 3, line 22, delete "living, if" and insert "**living if, using the needs based assessment established under section 13(1) of this chapter,**".

Page 3, line 26, delete "activity, if" and insert "**activity if, using the needs based assessment established under section 13(1) of this chapter,**".

Page 4, line 12, after "shall" insert "**, in accordance with standards established under section 13(3) of this chapter,**".

Page 4, line 14, delete "ten" and insert "twenty".

Page 4, line 15, delete "(\$10,000)" and insert "(\$20,000)".

Page 4, line 19, delete "June 30," and insert "**December 31,**".

Page 4, line 26, after "for" insert "**or participation in**".

Page 4, line 29, delete "JULY 1, 2014]:" and insert "JANUARY 1, 2015]:".

Page 4, line 38, delete "." and insert "**, as determined under section 13(2) of this chapter.**".

Page 4, line 40, delete "JULY 1, 2014]:" and insert "JANUARY 1, 2015]:".

Page 5, line 11, delete "division shall distribute the program" and insert "**area agency on aging shall:**

- (1) **determine, in accordance with section 13(4) of this chapter, the savings from not paying for these services; and**
- (2) **allocate twenty percent (20%) of the savings calculated under subdivision (1) to offset the individual's cost share amount, if any, for participating in the program.**

Page 5, delete lines 12 through 21, begin a new paragraph and insert:

"SECTION 7. IC 12-10-10-13 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 13. The division and the area agencies on aging shall jointly develop policies that establish the following:**

- (1) **A needs based assessment to be used in determining a client's needs and care plan under section 1(3) of this chapter.**
- (2) **The percentage of program dollars adequate to provide case management services.**
- (3) **A cost participation schedule for program recipients as required by section 4(d) of this chapter.**
- (4) **Procedures for determining cost savings as required by section 9(c) of this chapter.**



(5) Program performance measures for the area agencies on aging."

Page 5, line 22, delete "IC 12-10-10-13" and insert "IC 12-10-10-14".

Page 5, line 24, delete "[EFFECTIVE JULY 1, 2014]: Sec. 13." and insert "[EFFECTIVE JANUARY 1, 2015]: **Sec. 14.**".

Page 5, line 26, delete "June 30," and insert "**December 31,**".

Page 5, line 29, delete "ten" and insert "**twenty**".

Page 5, line 30, delete "(\$10,000)" and insert "**(\$20,000)**".

Page 5, after line 34, begin a new paragraph and insert:

"SECTION 9. **An emergency is declared for this act.**".

Re-number all SECTIONS consecutively.

and when so amended that said bill do pass and be reassigned to the Senate Committee on Appropriations.

(Reference is to HB 1391 as reprinted January 31, 2014.)

MILLER PATRICIA, Chairperson

Committee Vote: Yeas 8, Nays 1.

COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred House Bill No. 1391, 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, delete lines 1 through 16, begin a new paragraph and insert:
"SECTION 1. IC 12-7-2-22, AS AMENDED BY P.L.145-2006, SECTION 35, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 22. "Board" means the following:

(1) For purposes of IC 12-10-10, **IC 12-10-10.5**, and IC 12-10-11, the community and home options to institutional care for the elderly and disabled board established by IC 12-10-11-1.

(2) For purposes of 12-12-7-5, the meaning set forth in IC 12-12-7-5(a).

(3) For purposes of IC 12-15-35, the meaning set forth in IC 12-15-35-2.

SECTION 2. IC 12-7-2-44.6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 44.6. "Countable asset" means the following:

EH 1391—LS 6662/DI 104



(1) For purposes of IC 12-10-10.5, in determining eligibility for the community living pilot program, property that is included in determining assets in the same manner as determining an individual's eligibility for the Medicaid aged and disabled waiver.

(2) For purposes of IC 12-20, means noncash property that is not necessary for the health, safety, or decent living standard of a household that:

(+) (A) is owned wholly or in part by the applicant or a member of the applicant's household;

(-) (B) the applicant or the household member has the legal right to sell or liquidate; and

(-) (C) includes:

(-) (i) real property other than property that is used for the production of income or that is the primary residence of the household;

(-) (ii) savings and checking accounts, certificates of deposit, bonds, stocks, and other intangibles that have a net cash value; and

(-) (iii) boats, other vehicles, or any other personal property used solely for recreational or entertainment purposes.

SECTION 3. IC 12-7-2-76, AS AMENDED BY P.L.145-2006, SECTION 48, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 76. (a) "Eligible individual", for purposes of:

(1) IC 12-10-10, has the meaning set forth in IC 12-10-10-4; and

(2) IC 12-10-10.5, has the meaning set forth in IC 12-10-10.5-3.

(b) "Eligible individual" has the meaning set forth in IC 12-14-18-1.5 for purposes of the following:

(1) IC 12-10-6.

(2) IC 12-14-2.

(3) IC 12-14-18.

(4) IC 12-14-19.

(5) IC 12-15-2.

(6) IC 12-15-3.

(7) IC 12-16-3.5.

(8) IC 12-20-5.5.

SECTION 4. IC 12-7-2-146, AS AMENDED BY SEA 24-2014, SECTION 63, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 146. "Program" refers to the following:

(1) For purposes of IC 12-8-12.5, the meaning set forth in IC 12-8-12.5-1.

EH 1391—LS 6662/DI 104



(2) For purposes of IC 12-10-7, the adult guardianship services program established by IC 12-10-7-5.

(3) For purposes of IC 12-10-10, the meaning set forth in IC 12-10-10-5.

(4) For purposes of IC 12-10-10.5, the meaning set forth in IC 12-10-10.5-4.

~~(4)~~ **(5)** For purposes of ~~IC 12-17.2-2-14~~, **IC 12-17.2-2-14.2**, the meaning set forth in ~~IC 12-17.2-2-14~~. **IC 12-17.2-2-14.2(a)**.

~~(5)~~ **(6)** For purposes of ~~IC 12-17.2-3.7~~, **IC 12-17.2-3.6**, the meaning set forth in ~~IC 12-17.2-3.7-7~~. **IC 12-17.2-3.6-7**.

~~(4)~~ **(7)** For purposes of ~~IC 12-17.2-3.7~~, **IC 12-17.2-3.8**, the meaning set forth in ~~IC 12-17.2-3.7-5~~. **IC 12-17.2-3.8-2**.

~~(5)~~ ~~(6)~~ **(8)** For purposes of IC 12-17.6, the meaning set forth in IC 12-17.6-1-5.

SECTION 5. IC 12-10-10.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]:

Chapter 10.5. Community Living Pilot Program

Sec. 1. As used in this chapter, "board" refers to the community and home options to institutional care for the elderly and disabled board established by IC 12-10-11-1.

Sec. 2. As used in this chapter, "case management" means an administrative function conducted locally by an area agency on aging that includes the following:

- (1) Assessment of an individual to determine the individual's functional impairment level and corresponding need for services.**
- (2) Initial verification of an individual's income and assets.**
- (3) Development of a care plan that:**
 - (A) addresses an eligible individual's needs;**
 - (B) takes into consideration the individual's family and community members who are willing to provide services to meet any of the individual's needs; and**
 - (C) is consistent with a person centered approach to client care.**
- (4) Supervision of the implementation of appropriate and available services for an eligible individual.**
- (5) Advocacy on behalf of an eligible individual's interests.**
- (6) Monitoring the quality of community and home care services provided to an eligible individual.**
- (7) Reassessment of the care plan to determine:**
 - (A) the continuing need and effectiveness of the community**



and home care services provided to an eligible individual under this chapter; and

(B) the annual reverification of a plan recipient's income and assets, as may be required by the division under section 3(d) of this chapter.

(8) Provision of information and referral services to individuals in need of community and home care services.

Sec. 3. (a) As used in this chapter, "eligible individual" means, beginning January 1, 2015, an individual who meets the following criteria:

(1) Is a resident of Indiana.

(2) Is:

(A) at least sixty (60) years of age; or

(B) an individual with a disability.

(3) Has assets that meet the following criteria:

(A) For an individual who participates in the program and whose date of application for the program is before January 1, 2015, assets that do not exceed five hundred thousand dollars (\$500,000), as determined by the division.

(B) For an individual whose date of application for the program is after December 31, 2014, countable assets that do not exceed two hundred fifty thousand dollars (\$250,000). In determining assets under this clause, the division shall exclude an additional twenty thousand dollars (\$20,000) in countable assets.

(4) Qualifies under criteria developed by the board as having an impairment that places the individual at risk of losing the individual's independence, as described in subsection (b).

(b) For purposes of subsection (a), an individual is at risk of losing the individual's independence if the individual is unable to perform any of the following:

(1) Two (2) or more activities of daily living. The use by or on behalf of the individual of any of the following services or devices does not make the individual ineligible for services under this chapter:

(A) Skilled nursing assistance.

(B) Supervised community and home care services, including skilled nursing supervision.

(C) Adaptive medical equipment and devices.

(D) Adaptive nonmedical equipment and devices.

(2) One (1) activity of daily living if, using the needs based assessment established under section 10(1) of this chapter, the



division determines that addressing the single activity of daily living would significantly reduce the likelihood of the individual's loss of independence and the need for additional services.

(3) An activity if, using the needs based assessment established under section 10(1) of this chapter, the division determines that targeted intervention or assistance with the activity would significantly reduce the likelihood of the individual's loss of independence and the need for additional services.

(c) The division shall, in accordance with standards established under section 10(3) of this chapter, establish a cost participation schedule for a program recipient based on the program participant's income and countable assets. The cost participation schedule must meet the following:

(1) Exclude from cost participation an eligible individual whose income and countable assets do not exceed one hundred fifty percent (150%) of the federal income poverty level.

(2) In calculating income and countable assets for an eligible individual, deduct the medical expenses of the following:

(A) The individual.

(B) The spouse of the individual.

(C) The dependent children of the individual.

(3) Exclude twenty thousand dollars (\$20,000) of a participant's countable assets from consideration in determining a participant's cost participation.

(d) The division may require annual reverification for program participants whom the division determines are likely to experience a material increase in income or assets. An individual shall submit the information requested by the division to carry out the redetermination allowed by this subsection.

(e) The division may not require a family or other person to provide services as a condition of an individual's eligibility for or participation in the program.

Sec. 4. As used in this chapter, "program" refers to the community living pilot program established by section 5 of this chapter.

Sec. 5. (a) Beginning January 1, 2015, the community living pilot program is established.

(b) The division shall administer the program. The division shall do the following:

(1) In consultation with the area agencies on aging, designate four (4) area agencies on aging to participate in the program.



In determining the four (4) area agencies on aging to participate in the program, the division shall consider the following criteria:

- (A) Geographic diversity.
 - (B) Urban and rural representation.
 - (C) Size of the area agency on aging's waiting list for services.
 - (D) Size of the population served by the area agency on aging.
- (2) Report data and outcome measures concerning the program to the board and, in an electronic format under IC 5-14-6, to the legislative council and an appropriate interim study committee determined by the legislative council before the following:
- (A) March 15, 2016.
 - (B) September 15, 2016.
 - (C) March 15, 2017.

Sec. 6. (a) Except as provided in subsection (b), the case management under this chapter of an individual leading to participation in the program may not be conducted by any agency that delivers services under the program.

(b) If the division determines that there is no alternative agency capable of delivering services to the individual, the area agency on aging that performs the assessment under the program may also deliver the services.

(c) The division shall provide the necessary funding to provide case management services for the program, as determined under section 10(2) of this chapter.

Sec. 7. Except as provided in section 8 of this chapter, state money for home health services under this chapter must be distributed only to licensed health care professionals, facilities, and agencies.

Sec. 8. The division shall establish a program to train relatives of eligible individuals to provide homemaker and personal care services to those eligible individuals.

Sec. 9. The office of the secretary, in consultation with the local area agencies on aging, shall negotiate reimbursement rates for services provided under this chapter.

Sec. 10. The division, in consultation with the area agencies on aging, shall develop policies that establish the following:

- (1) A needs based assessment to be used in determining a client's needs and care plan under section 2(3) of this chapter.



(2) The percentage of program dollars adequate to provide case management services.

(3) A cost participation schedule for program recipients as required by section 3(c) of this chapter.

(4) Program performance measures.

(5) Data and outcome measures for the program to be collected and reported under section 5(b)(2) of this chapter.

Sec. 11. This chapter expires June 30, 2017."

Delete pages 2 through 6.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to EHB 1391 as printed February 21, 2014.)

KENLEY, Chairperson

Committee Vote: Yeas 10, Nays 0.

SENATE MOTION

Madam President: I move that Senate Bill 1391 be amended to read as follows:

Page 4, line 12, delete "assets that meet the following criteria:".

Page 4, delete lines 13 through 17.

Page 4, line 18, delete "program is after December 31, 2014,".

Page 4, run in lines 12 through 18.

Page 4, line 20, delete "clause," and insert "**subdivision**,".

(Reference is to EHB 1391 as printed February 28, 2014.)

LEISING

SENATE MOTION

Madam President: I move that Engrossed House Bill 1391 be amended to read as follows:

Page 6, between lines 14 and 15, begin a new line block indented and insert:

"Each report under this subdivision must include an analysis on the areas participating in the program and whether implementation of the program has impacted the admittance

EH 1391—LS 6662/DI 104



of individuals to comprehensive care beds in nursing facilities in the area."

Page 7, after line 5, begin a new paragraph and insert:

"SECTION 6. IC 16-18-2-67.1 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY 1, 2014]: **Sec. 67.1. "Comprehensive care health facility", for purposes of IC 16-28-16, has the meaning set forth in IC 16-28-16-2.5.**

SECTION 7. IC 16-18-2-316.6 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY 1, 2014]: **Sec. 316.6. "Replacement facility", for purposes of IC 16-28-16, has the meaning set forth in IC 16-28-16-3.2.**

SECTION 8. IC 16-28-16-2, AS ADDED BY P.L.229-2011, SECTION 163, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 2. As used in this chapter, "comprehensive care bed" means a bed that:

- (1) is **within a comprehensive care health facility that is** licensed or is to be licensed under IC 16-28-2;
- (2) functions as a bed **within a comprehensive care health facility** licensed under IC 16-28-2; or
- (3) is **otherwise** subject to this article.

The term does not include a comprehensive care bed that will be used solely to provide specialized services and that is subject to IC 16-29.

SECTION 9. IC 16-28-16-2.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY 1, 2014]: **Sec. 2.5. As used in this chapter, "comprehensive care health facility" means a health facility that provides nursing care, room, food, laundry, administration of medications, special diets, and treatments and that may provide rehabilitative and restorative therapies under the order of an attending physician.**

SECTION 10. IC 16-28-16-3, AS ADDED BY P.L.229-2011, SECTION 163, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 3. As used in this chapter, "replacement bed" means a comprehensive care bed that is relocated **from one (1) comprehensive care health facility to a health facility another comprehensive care health facility** that is licensed or is to be licensed under this article. This term includes comprehensive care beds that are certified for participation in:

- (1) the state Medicaid program; or
- (2) both the state Medicaid program and federal Medicare



program.

SECTION 11. IC 16-28-16-3.2 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY 1, 2014]: **Sec. 3.2. As used in this chapter, "replacement facility" means a new comprehensive care health facility licensed under or subject to this article after June 30, 2014, that:**

- (1) is constructed to take the place of an existing comprehensive care health facility that is licensed before July 1, 2014;**
- (2) is constructed within the same county of the existing comprehensive care health facility licensed before July 1, 2014; and**
- (3) contains no more comprehensive care beds than the existing comprehensive care health facility licensed before July 1, 2014.**

SECTION 12. IC 16-28-16-3.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS** [EFFECTIVE JULY 1, 2014]: **Sec. 3.5. As used in this chapter, "under development" refers to an effort:**

- (1) to add, construct, or convert comprehensive care beds in a comprehensive care health facility that:**

- (A) is licensed under;**
- (B) is to be licensed under;**
- (C) is subject to; or**
- (D) will be subject to;**

this article; and

- (2) that meets the following:**

- (A) Architectural plans have been completed.**
- (B) Funding to construct the comprehensive care health facility has been secured and is actively being drawn upon or otherwise used to further and complete construction.**
- (C) Zoning requirements have been met.**
- (D) Construction plans for the comprehensive care health facility have been submitted to the state department and the division of fire and building safety.**
- (E) Active and ongoing construction activities progressing to completion of the project are occurring at the project site.**

SECTION 13. IC 16-28-16-4, AS ADDED BY P.L.229-2011, SECTION 163, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: **Sec. 4. (a) Except as provided in**



subsection (b), the state department may not approve **the following:**

(1) The licensure of comprehensive care health facilities or new or converted comprehensive care beds.

(2) The certification of new or converted comprehensive care beds for participation in the state Medicaid program unless the statewide comprehensive care bed occupancy rate is more than ninety-five percent (95%), as calculated annually on January 1 by the state department of health.

Beds in a health facility that provides residential nursing care under IC 16-28 may not be converted to comprehensive care beds.

(b) This section does not apply to the following:

(1) A comprehensive care health facility that:

(A) is licensed under;

(B) is to be licensed under;

(C) is subject to; or

(D) will be subject to;

IC 16-28 and that is under development as of June 30, 2014.

(+)(2) A comprehensive care health facility that:

(A) seeks a replacement bed exception;

(B) is licensed or is to be licensed under this article **or is under development as of June 30, 2014;**

(C) applies to the state department of health to certify a comprehensive care bed for participation in the Medicaid program if the comprehensive care bed for which the health facility is seeking certification is a replacement bed for an existing comprehensive care bed;

(D) applies to the division of aging **before July 1, 2014**, in the manner:

(i) described in subsection (c); and

(ii) prescribed by the division; and

(E) meets the licensure, survey, and certification requirements of this article.

(-)(3) A small house health facility approved under section 6 of this chapter.

(4) A replacement facility, whether or not the replacement facility is under development before July 1, 2014. The existing comprehensive care health facility that is being replaced by the replacement facility:

(A) must no longer be licensed as a comprehensive care health facility sixty (60) days after the replacement facility obtains its license from the state department; and

(B) may transfer, and the replacement facility may accept,



all of the comprehensive care beds from the existing comprehensive care health facility to the replacement facility without seeking a replacement bed exception.

(5) A continuing care retirement community that was registered under IC 23-2 before July 1, 2014, and continuously maintains registration under IC 23-2. If a continuing care retirement community fails to maintain registration under IC 23-2 after June 30, 2014, the comprehensive care beds, including beds certified for Medicaid or Medicare, that the continuing care retirement community previously operated are not forfeited as long as the continuing care retirement community continues to comply with the licensure and certification requirements of this article.

(6) A:

(A) comprehensive care health facility; or

(B) comprehensive care bed;

that is located or to be located within a county that has a countywide comprehensive care bed occupancy rate of more than ninety percent (90%), as calculated by the state department on January 1 and July 1 of each year. The number of comprehensive care beds allowed under this subdivision may not exceed the number of beds that would cause the countywide comprehensive care bed occupancy rate to either fall below the statewide average or exceed seventy (70) comprehensive care beds per applicant.

(c) An application made under subsection ~~(b)(1)~~ (b)(2) for a replacement bed exception must include the following:

(1) The total number and identification of the existing comprehensive care beds that the applicant requests be replaced by health facility location and by provider.

(2) If the replacement bed is being transferred to a different comprehensive care health facility with the same ownership, a provision that provides the division of aging written verification from the health facility holding the comprehensive care bed certification that the health facility has agreed to transfer the beds to the applicant health facility.

(3) If the replacement bed is being transferred to a different comprehensive care health facility under different ownership, a provision that provides the division of aging a copy of the complete agreement between the comprehensive care health facility transferring the beds and the applicant comprehensive



care health facility.

(4) Any other information requested by the division of aging necessary to evaluate the transaction.

A replacement bed may be relocated after June 30, 2014, under this section only if the comprehensive care health facility applies to the division of aging before July 1, 2014, and complies with or will comply with section 5 of this chapter.

(d) The state department shall make the final determination concerning whether an entity has met or is meeting the requirements of this chapter of being under development.

SECTION 14. IC 16-28-16-5, AS ADDED BY P.L.229-2011, SECTION 163, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 5. Except in the case of an emergency or a disaster, Medicaid certification of an existing comprehensive care bed may not be transferred to a **new another** location until the **new receiving comprehensive care health** facility is seeking certification of the bed.

SECTION 15. IC 16-28-16-6, AS ADDED BY P.L.229-2011, SECTION 163, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 6. (a) A person planning to construct a small house health facility shall apply to the state department for a license under this article.

(b) An applicant under this section, including an entity related to the applicant through common ownership or control, may apply to the state department for Medicaid certification of not more than fifty (50) comprehensive care beds for small house health facilities per year.

(c) The state department may not approve **Medicaid** certification of more than one hundred (100) new comprehensive care beds designated for small house health facilities per year.

(d) The state department shall approve an application for Medicaid certification for a small house health facility:

- (1) in the order of the completed application date; and
- (2) if the applicant meets the definition of a small house health facility and the requirements of this section.

(e) A person that fails to complete construction and begin operation of a small house **comprehensive care** health facility within twelve (12) months after the state department's approval of the application forfeits the person's right to the Medicaid certified comprehensive care beds approved by the state department if:

- (1) another person has applied to the state department for approval of certified comprehensive care beds for participation in the state Medicaid program **for** at least one (1) small house health



facility; and

(2) the person's application was denied for the sole reason that the maximum number of Medicaid certified comprehensive care beds specified in subsection (c) had been approved for small house health facilities.

SECTION 16. IC 16-28-16-7, AS ADDED BY P.L.229-2011, SECTION 163, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. This chapter expires ~~June 30, 2014~~. **June 30, 2016.**

SECTION 17. IC 16-29-6 IS REPEALED [EFFECTIVE JUNE 30, 2014]. (Comprehensive Care Health Facilities and Medicaid Services).

SECTION 18. **An emergency is declared for this act."**

Renumber all SECTIONS consecutively.

(Reference is to EHB 1391 as printed February 28, 2014.)

MILLER PATRICIA

