



January 25, 2022

SENATE BILL No. 266

DIGEST OF SB 266 (Updated January 20, 2022 5:45 pm - DI 119)

Citations Affected: IC 31-27.

Synopsis: Department of child services review of base rate. Establishes a process by which a child caring institution, group home, secure private facility, or licensed child placing agency may request a review of base rates and other cost based rates approved by the department of child services (department). Requires the department to give special consideration to approval of costs that are proven by a residential treatment provider to have been previously approved by the department.

Effective: July 1, 2022.

**Ford Jon, Rogers, Garten, Holdman,
Bassler**

January 10, 2022, read first time and referred to Committee on Family and Children Services.
January 24, 2022, amended, reported favorably — Do Pass.

SB 266—LS 7075/DI 148



January 25, 2022

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.

SENATE BILL No. 266

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 31-27-7 IS ADDED TO THE INDIANA CODE AS
2 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2022]:

4 **Chapter 7. Department Base Rates Review**

5 **Sec. 1. As used in this chapter, "base rate" has the same**
6 **meaning as set forth in 465 IAC 2-16-4 (as in effect on December**
7 **31, 2021).**

8 **Sec. 2. As used in this chapter, "cost report" means a report**
9 **submitted to the department by a residential treatment services**
10 **provider specifying costs incurred by the residential treatment**
11 **services provider during a twelve (12) month period.**

12 **Sec. 3. As used in this chapter, "residential treatment services**
13 **provider" means the following:**

14 (1) A child caring institution, as defined in IC 31-9-2-16.7.

15 (2) A group home, as defined in IC 31-9-2-48.5.

16 (3) A secure private facility, as defined in IC 31-9-2-115.

17 (4) A licensed child placing agency, as defined in

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1 **IC 31-9-2-17.5.**

2 **Sec. 4. For purposes of this chapter, the department shall**
 3 **determine whether a cost is reasonable based on what a reasonable**
 4 **person would pay in the same or similar circumstances for the**
 5 **same or similar item or service.**

6 **Sec. 5. (a) A residential treatment services provider may request**
 7 **a review of the base rates approved by the department if the**
 8 **residential treatment services provider believes that an error or**
 9 **omission was made in the:**

- 10 **(1) cost report that the residential treatment services provider**
 11 **submitted to the department;**
 12 **(2) department's calculation of the base rate; or**
 13 **(3) department's determination of the reasonableness of a**
 14 **cost.**

15 **(b) A request for review under subsection (a) must be:**

- 16 **(1) submitted in writing to the department; and**
 17 **(2) received by the department not more than thirty (30) days**
 18 **after the date on which the department mailed a rate letter to**
 19 **the residential treatment services provider.**

20 **Compliance with subdivision (2) is determined in the same manner**
 21 **by which compliance with the requirements for actions related to**
 22 **administrative proceedings is determined under IC 4-21.5-3-1 and**
 23 **IC 4-21.5-3-2.**

24 **(c) A residential treatment services provider making a request**
 25 **for review under subsection (a) shall submit the request for review**
 26 **in the form and manner specified by the department, including:**

- 27 **(1) identification of the current base rate and approved new**
 28 **base rate, as applicable to a specific program or service**
 29 **offered by the residential treatment services provider;**
 30 **(2) an itemized statement of administrative and indirect costs**
 31 **that the residential treatment services provider considers**
 32 **allowable under this chapter;**
 33 **(3) a clear, concise statement of the reasons for the requested**
 34 **change; and**
 35 **(4) a detailed statement supporting the requested change.**

36 **The department shall not accept or process an incomplete request**
 37 **for review.**

38 **(d) If a residential treatment services provider that submits a**
 39 **request for review under this chapter has a current license that is**
 40 **subject to current revocation proceedings, the department shall not**
 41 **act upon the request for review.**

42 **(e) Not more than thirty (30) days after the date on which the**



1 department receives a request for review submitted under this
2 chapter, the department shall conduct a review and:

3 (1) mail written notice and an explanation of the department's
4 decision to:

5 (A) the residential treatment services provider;

6 (B) the state representative and senator of the district in
7 which the residential treatment services provider is
8 located;

9 (C) the chairperson of the house committee on family,
10 children, and human affairs; and

11 (D) the chairperson of the senate committee on family and
12 children services; and

13 (2) publish the notice and explanation on the department's
14 Internet web site.

15 (f) The explanation of the department's decision under
16 subsection (e) must include a robust explanation of the following:

17 (1) The department's approval or denial.

18 (2) The reasonableness of each disputed cost.

19 Sec. 6. If the residential treatment services provider proves that
20 a cost was previously covered for any provider, or is associated
21 with:

22 (1) accreditation;

23 (2) staff safety;

24 (3) child safety; or

25 (4) a department requirement;

26 the department shall give special consideration to approval of the
27 cost.



COMMITTEE REPORT

Madam President: The Senate Committee on Family and Children Services, to which was referred Senate Bill No. 266, 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 3, line 2, delete "and send notice of" and insert "**and:**

(1) mail written notice and an explanation of the department's decision to:

(A) the residential treatment services provider;

(B) the state representative and senator of the district in which the residential treatment services provider is located;

(C) the chairperson of the house committee on family, children, and human affairs; and

(D) the chairperson of the senate committee on family and children services; and

(2) publish the notice and explanation on the department's Internet web site."

Page 3, delete lines 3 through 5, begin a new paragraph and insert:

"(f) The explanation of the department's decision under subsection (e) must include a robust explanation of the following:"

Page 3, line 15, delete "approve the cost." and insert "**give special consideration to approval of the cost."**

and when so amended that said bill do pass.

(Reference is to SB 266 as introduced.)

ROGERS, Chairperson

Committee Vote: Yeas 6, Nays 0.

