



Reprinted  
January 26, 2024

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## HOUSE BILL No. 1205

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DIGEST OF HB 1205 (Updated January 25, 2024 11:40 am - DI 147)

**Citations Affected:** IC 12-21; IC 12-29.

**Synopsis:** Mental health standards and reporting. Requires the secretary of family and social services to provide that the standards for services provided by recovery community organizations for behavioral health recovery, when used as a recovery community organization, be certified through a certain entity and meet other standards established by the division of mental health and addiction. Specifies information that must be reported by a community mental health center as part of the community mental health center's annual report.

**Effective:** July 1, 2024.

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**Meltzer, Jeter, O'Brien,  
Garcia Wilburn**

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January 9, 2024, read first time and referred to Committee on Public Health.  
January 23, 2024, amended, reported — Do Pass.  
January 25, 2024, read second time, amended, ordered engrossed.

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HB 1205—LS 6846/DI 104





Reprinted  
January 26, 2024

Second Regular Session of the 123rd General Assembly (2024)

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 2023 Regular Session of the General Assembly.

## HOUSE BILL No. 1205

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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 12-21-2-3, AS AMENDED BY P.L.127-2020,  
2 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2024]: Sec. 3. The secretary or the secretary's designee shall  
4 do the following:
- 5 (1) Organize the division, create the appropriate personnel  
6 positions, and employ personnel necessary to discharge the  
7 statutory duties and powers of the division or a bureau of the  
8 division.
  - 9 (2) Subject to the approval of the state personnel department,  
10 establish personnel qualifications for all deputy directors,  
11 assistant directors, bureau heads, and superintendents.
  - 12 (3) Subject to the approval of the budget director and the  
13 governor, establish the compensation of all deputy directors,  
14 assistant directors, bureau heads, and superintendents.
  - 15 (4) Study the entire problem of mental health, mental illness, and  
16 addictions existing in Indiana.
  - 17 (5) Adopt rules under IC 4-22-2 for the following:

**HB 1205—LS 6846/DI 104**



- 1 (A) Standards for the operation of private institutions that are  
2 licensed under IC 12-25 for the diagnosis, treatment, and care  
3 of individuals with psychiatric disorders, addictions, or other  
4 abnormal mental conditions.
- 5 (B) Licensing or certifying community residential programs  
6 described in IC 12-22-2-3.5 for individuals with serious  
7 mental illness (SMI), serious emotional disturbance (SED), or  
8 chronic addiction (CA) with the exception of psychiatric  
9 residential treatment facilities.
- 10 (C) Certifying community mental health centers to operate in  
11 Indiana.
- 12 (D) Establish exclusive geographic primary service areas for  
13 community mental health centers. The rules must include the  
14 following:
- 15 (i) Criteria and procedures to justify the change to the  
16 boundaries of a community mental health center's primary  
17 service area.
- 18 (ii) Criteria and procedures to justify the change of an  
19 assignment of a community mental health center to a  
20 primary service area.
- 21 (iii) A provision specifying that the criteria and procedures  
22 determined in items (i) and (ii) must include an option for  
23 the county and the community mental health center to  
24 initiate a request for a change in primary service area or  
25 provider assignment.
- 26 (iv) A provision specifying the criteria and procedures  
27 determined in items (i) and (ii) may not limit an eligible  
28 consumer's right to choose or access the services of any  
29 provider who is certified by the division of mental health  
30 and addiction to provide public supported mental health  
31 services.
- 32 (6) Institute programs, in conjunction with an accredited college  
33 or university and with the approval, if required by law, of the  
34 commission for higher education, for the instruction of students  
35 of mental health and other related occupations. The programs may  
36 be designed to meet requirements for undergraduate and  
37 postgraduate degrees and to provide continuing education and  
38 research.
- 39 (7) Develop programs to educate the public in regard to the  
40 prevention, diagnosis, treatment, and care of all abnormal mental  
41 conditions.
- 42 (8) Make the facilities of the state institutions available for the



1 instruction of medical students, student nurses, interns, and  
 2 resident and fellow physicians under the supervision of the faculty  
 3 of any accredited school of medicine or osteopathy located in  
 4 Indiana or an accredited residency or fellowship training program  
 5 in connection with research and instruction in psychiatric  
 6 disorders.

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

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

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

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

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

19 (14) Provide that the standards for services provided by recovery  
 20 residences for residential care and supported housing for chronic  
 21 addiction, when used as a recovery residence, to:

22 (A) be certified through an entity approved by the division to  
 23 ensure adherence to standards determined by the National  
 24 Alliance for Recovery Residences (NARR) or a similar entity;  
 25 and

26 (B) meet other standards established by the division under  
 27 rules adopted under IC 4-22-2.

28 **(15) Provide that the standards for services provided by**  
 29 **recovery community organizations for behavioral health**  
 30 **recovery, when used as a recovery community organization:**

31 **(A) be certified through an entity approved by the division**  
 32 **to ensure adherence to standards determined by the**  
 33 **Indiana Recovery Network or similar entity that certifies**  
 34 **recovery community organizations; and**

35 **(B) meet other standards established by the division under**  
 36 **rules adopted under IC 4-22-2.**

37 ~~(15)~~ **(16)** Require the division to:

38 (A) provide best practice recommendations to community  
 39 mental health centers; and

40 (B) work with community mental health centers in a  
 41 collaborative manner in order to ensure improved health  
 42 outcomes as a part of reviews or audits.



- 1 Documentation developed as a part of an incident or death  
 2 reporting audit or review is confidential and may only be shared  
 3 between the division and the community mental health center.
- 4 SECTION 2. IC 12-29-2-16, AS AMENDED BY P.L.76-2018,  
 5 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 6 JULY 1, 2024]: Sec. 16. (a) A community mental health center that is  
 7 certified by the division of mental health and addiction shall provide an  
 8 annual report to the division of mental health and addiction and to the  
 9 fiscal body and the board of county commissioners of each county  
 10 located in the community mental health center's primary service area.  
 11 The annual report under this section must include the following:
- 12 (1) Information concerning the operational and community based  
 13 activities undertaken during the year by the community mental  
 14 health center in each county from which the community mental  
 15 health center received funding under this chapter.
- 16 (2) A listing, by the county of patients' residence, of the following  
 17 information:
- 18 (A) The total number of patients served by the community  
 19 mental health center.
- 20 (B) The total number of patients receiving addiction treatment  
 21 services from the community mental health center.
- 22 (C) The total number of patients receiving mental health  
 23 services from the community mental health center.
- 24 (D) The total number of patients receiving both addiction  
 25 treatment services and mental health services from the  
 26 community mental health center.
- 27 (3) A copy of the most recent financial audit provided to the  
 28 division of mental health and addiction under 440 IAC 4.1-2-5,  
 29 including a balance sheet of assets and liabilities, which shall be  
 30 prepared by an independent certified public accountant.
- 31 **(4) Demographic information of patients served by the**  
 32 **community mental health center, including the following:**
- 33 **(A) The number of adults served and the:**  
 34 **(i) five (5) most common addiction substances; and**  
 35 **(ii) ten (10) most common primary mental health**  
 36 **diagnoses;**  
 37 **of the adults.**
- 38 **(B) The number of children served and the:**  
 39 **(i) five (5) most common addiction substances; and**  
 40 **(ii) ten (10) most common primary mental health**  
 41 **diagnoses;**  
 42 **of the children.**



- 1           **(5) The total number of clinical encounters in the preceding**  
 2           **fiscal year.**
- 3           **(6) The total number of completed intakes in the preceding**  
 4           **fiscal year.**
- 5           **(7) The average time from initial engagement to an offered**  
 6           **initial evaluation.**
- 7           **(8) The average time from initial evaluation to an offered**  
 8           **follow-up visit.**
- 9           **(9) The community mental health center's performance in**  
 10          **comparison to the state's performance on measures identified**  
 11          **by the division of mental health and addiction, including client**  
 12          **satisfaction and clinical outcomes.**
- 13          **(10) Data related to the connection between a patient and**  
 14          **additional county or regional based services, including any of**  
 15          **the following, if available:**
- 16               **(A) Self, family, or guardian referrals.**
- 17               **(B) Law enforcement or the criminal justice system.**
- 18               **(C) A hospital or physician.**
- 19               **(D) Child or youth services, including the department of**  
 20               **child services, systems of care, or schools.**
- 21               **(E) A twenty-four (24) hour crisis intervention service.**
- 22               **(F) An enhanced call center.**
- 23          (b) The division of mental health and addiction shall:
- 24               (1) specify the format of the annual reports that must be provided  
 25               by community mental health centers under subsection (a); ~~and~~
- 26               **(2) determine the measures to be used concerning**  
 27               **performance required by subsection (a)(9); and**
- 28               ~~(3)~~ **(3) include a summary of that information in the annual report**  
 29               **prepared by the division under subsection (c).**
- 30          (c) The division of mental health and addiction shall annually  
 31          provide to the county fiscal body and board of county commissioners  
 32          of each county a report that includes the following:
- 33               (1) An overview of the total funding provided to all community  
 34               mental health centers during the year under this chapter, including  
 35               funding provided by the division for purposes of programs under  
 36               this chapter.
- 37               (2) A count, by county of residence, of the following concerning  
 38               patients served by the community mental health centers under  
 39               programs funded under this chapter:
- 40                       (A) The total number of patients served.
- 41                       (B) The total number of patients receiving addiction treatment  
 42                       services.



- 1 (C) The total number of patients receiving mental health
- 2 services.
- 3 (D) The total number of patients receiving both addiction
- 4 treatment services and mental health services.
- 5 (3) An assessment, specified by the county of patients' residence,
- 6 of the overall outcomes of the treatment provided to patients of
- 7 the community mental health centers.
- 8 (4) A summary of the information provided by community mental
- 9 health centers in the annual reports provided under subsection (a),
- 10 and an explanation of the differences between the patient count
- 11 information provided by the community mental health centers in
- 12 those reports and the patient count information included in the
- 13 division's report under this subsection.
- 14 (d) The division of mental health and addiction may provide a report
- 15 required under subsection (c) to the county fiscal body and the board
- 16 of county commissioners by publishing the report on the division's
- 17 ~~Internet web site:~~ **website.**





## COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Health, to which was referred House Bill 1205, 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 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 12-21-2-3, AS AMENDED BY P.L.127-2020, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 3. The secretary or the secretary's designee shall do the following:

- (1) Organize the division, create the appropriate personnel positions, and employ personnel necessary to discharge the statutory duties and powers of the division or a bureau of the division.
- (2) Subject to the approval of the state personnel department, establish personnel qualifications for all deputy directors, assistant directors, bureau heads, and superintendents.
- (3) Subject to the approval of the budget director and the governor, establish the compensation of all deputy directors, assistant directors, bureau heads, and superintendents.
- (4) Study the entire problem of mental health, mental illness, and addictions existing in Indiana.
- (5) Adopt rules under IC 4-22-2 for the following:
  - (A) Standards for the operation of private institutions that are licensed under IC 12-25 for the diagnosis, treatment, and care of individuals with psychiatric disorders, addictions, or other abnormal mental conditions.
  - (B) Licensing or certifying community residential programs described in IC 12-22-2-3.5 for individuals with serious mental illness (SMI), serious emotional disturbance (SED), or chronic addiction (CA) with the exception of psychiatric residential treatment facilities.
  - (C) Certifying community mental health centers to operate in Indiana.
  - (D) Establish exclusive geographic primary service areas for community mental health centers. The rules must include the following:
    - (i) Criteria and procedures to justify the change to the boundaries of a community mental health center's primary service area.



- (ii) Criteria and procedures to justify the change of an assignment of a community mental health center to a primary service area.
  - (iii) A provision specifying that the criteria and procedures determined in items (i) and (ii) must include an option for the county and the community mental health center to initiate a request for a change in primary service area or provider assignment.
  - (iv) A provision specifying the criteria and procedures determined in items (i) and (ii) may not limit an eligible consumer's right to choose or access the services of any provider who is certified by the division of mental health and addiction to provide public supported mental health services.
- (6) Institute programs, in conjunction with an accredited college or university and with the approval, if required by law, of the commission for higher education, for the instruction of students of mental health and other related occupations. The programs may be designed to meet requirements for undergraduate and postgraduate degrees and to provide continuing education and research.
- (7) Develop programs to educate the public in regard to the prevention, diagnosis, treatment, and care of all abnormal mental conditions.
- (8) Make the facilities of the state institutions available for the instruction of medical students, student nurses, interns, and resident and fellow physicians under the supervision of the faculty of any accredited school of medicine or osteopathy located in Indiana or an accredited residency or fellowship training program in connection with research and instruction in psychiatric disorders.
- (9) Institute a stipend program designed to improve the quality and quantity of staff that state institutions employ.
- (10) Establish, supervise, and conduct community programs, either directly or by contract, for the diagnosis, treatment, and prevention of psychiatric disorders.
- (11) Adopt rules under IC 4-22-2 concerning the records and data to be kept concerning individuals admitted to state institutions, community mental health centers, or other providers.
- (12) Compile information and statistics concerning the ethnicity and gender of a program or service recipient.
- (13) Establish standards for services described in IC 12-7-2-40.6



for community mental health centers and other providers.

(14) Provide that the standards for services provided by recovery residences for residential care and supported housing for chronic addiction, when used as a recovery residence, to:

(A) be certified through an entity approved by the division to ensure adherence to standards determined by the National Alliance for Recovery Residences (NARR) or a similar entity; and

(B) meet other standards established by the division under rules adopted under IC 4-22-2.

**(15) Provide that the standards for services provided by recovery community organizations for behavioral health recovery, when used as a recovery community organization:**

**(A) be certified through an entity approved by the division to ensure adherence to standards determined by the Indiana Recovery Network or similar entity that certifies recovery community organizations; and**

**(B) meet other standards established by the division under rules adopted under IC 4-22-2.**

~~(15)~~ (16) Require the division to:

(A) provide best practice recommendations to community mental health centers; and

(B) work with community mental health centers in a collaborative manner in order to ensure improved health outcomes as a part of reviews or audits.

Documentation developed as a part of an incident or death reporting audit or review is confidential and may only be shared between the division and the community mental health center."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1205 as introduced.)

BARRETT

Committee Vote: yeas 12, nays 0.



## HOUSE MOTION

Mr. Speaker: I move that House Bill 1205 be amended to read as follows:

Page 4, delete lines 31 and 32, begin a new line block indented and insert:

**"(4) Demographic information of patients served by the community mental health center, including the following:**

**(A) The number of adults served and the:**

**(i) five (5) most common addiction substances; and**

**(ii) ten (10) most common primary mental health diagnoses;**

**of the adults.**

**(B) The number of children served and the:**

**(i) five (5) most common addiction substances; and**

**(ii) ten (10) most common primary mental health diagnoses;**

**of the children."**

Page 4, delete lines 33 through 37.

Page 4, line 38, delete "(6)" and insert "(5)".

Page 4, line 40, delete "(7)" and insert "(6)".

Page 4, line 42, delete "(8)" and insert "(7)".

Page 5, line 2, delete "(9)" and insert "(8)".

Page 5, line 4, delete "(10)" and insert "(9)".

Page 5, line 8, delete "(11)" and insert "(10)".

Page 5, line 22, delete "subsection (a)(10);" and insert "**subsection (a)(9);**".

(Reference is to HB 1205 as printed January 23, 2024.)

MELTZER

