

HOUSE BILL No. 1238

DIGEST OF INTRODUCED BILL

Citations Affected: IC 12-15-1-16.

Synopsis: School based health services and report. Requires the office of the secretary of family and social services (office) to submit a Medicaid state plan amendment to the United States Department of Health and Human Services to allow school corporations to seek Medicaid reimbursement for medically necessary school based Medicaid covered services (program). (Current law allows for the state plan amendment.) Sets forth requirements of the state plan amendment and program. Removes language that would have allowed for offsetting reductions to distributions of state tuition support or other state funds to school corporations in the amount of certain nonfederal reimbursements. Specifies how school corporations can expend the funds. Requires the office and the department of education (department) to each employ one employee for the program and to train school corporations concerning the program. Requires the department to conduct a study concerning workload levels for school based health providers who are licensed occupational therapists and licensed physical therapists. Specifies components to consider in determining a methodology and requirements of the study. Requires the department to submit a report of the study to the legislative council before November 1, 2025, and to post the report on the department's website.

Effective: Upon passage; July 1, 2025.

Garcia Wilburn, Clere

January 9, 2025, read first time and referred to Committee on Education.



First Regular Session of the 124th General Assembly (2025)

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 2024 Regular Session of the General Assembly.

HOUSE BILL No. 1238

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

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

1 SECTION 1. IC 12-15-1-16, AS AMENDED BY P.L.35-2022,
2 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2025]: Sec. 16. (a) Each:
4 (1) school corporation; or
5 (2) school corporation's employed, licensed, or qualified provider;
6 must enroll in a program to use federal funds under the Medicaid
7 program (IC 12-15-1 et seq.) with the intent to share the costs of
8 services that are reimbursable under the Medicaid program and that are
9 provided to eligible children by the school corporation. However, a
10 school corporation or a school corporation's employed, licensed, or
11 qualified provider is not required to file any claims or participate in the
12 program developed under this section.
13 (b) The secretary and the department of education may develop
14 policies and adopt rules to administer the program developed under this
15 section.
16 (c) The federal reimbursement for services provided under this
17 section must be distributed to the school corporation. The state shall



1 retain the nonfederal share of the reimbursement for Medicaid services
2 provided under this section.

3 (d) The office of Medicaid policy and planning, with the approval
4 of the budget agency and after consultation with the department of
5 education, shall establish procedures for the timely distribution of
6 federal reimbursement due to the school corporations. ~~The distribution
7 procedures may provide for offsetting reductions to distributions of
8 state tuition support or other state funds to school corporations in the
9 amount of the nonfederal reimbursements required to be retained by the
10 state under subsection (c):~~

11 (e) The office ~~may~~ **shall** apply to the United States Department of
12 Health and Human Services for a state plan amendment to allow school
13 corporations to seek Medicaid reimbursement for medically necessary,
14 school based Medicaid covered services. ~~that are provided under
15 federal or state mandates:~~ If the state plan amendment is approved and
16 implemented, services ~~may~~ **must** be provided by a qualified provider
17 in a school setting to Medicaid enrolled students. Subject to subsection
18 (f), the services may be pursuant to any of the following:

19 (1) An individualized education program (as defined in
20 IC 20-18-2-9).

21 (2) A plan developed under Section 504 of the federal
22 Rehabilitation Act, 29 U.S.C. 794.

23 (3) A behavioral intervention plan (as defined in IC 20-20-40-1).

24 (4) A service plan developed under 511 IAC 7-34.

25 (5) An individualized health care plan.

26 **(6) Early and periodic screening, diagnostic, and treatment**
27 **(EPSDT) services.**

28 **(7) Any other medically necessary covered health services.**

29 The office ~~may;~~ **shall**, in consultation with the department of education
30 **and national professional associations for school based health**
31 **services providers**, develop any necessary state plan amendment under
32 this subsection. The office ~~may~~ **shall** apply for any state plan
33 amendment necessary to implement this subsection.

34 (f) Services under subsection (e) may not include the following:

35 (1) An abortion.

36 (2) Counseling for abortion procedures.

37 (3) Referrals for abortion services.

38 (4) Abortifacients.

39 (5) Contraceptives.

40 (g) If the state plan amendment described in subsection (e) is
41 approved and implemented, the medically necessary, school based
42 Medicaid covered services described in subsection (e):



- 1 (1) may only be performed by a qualified provider;
- 2 (2) must be within the qualified provider's scope of practice; and
- 3 (3) must be provided in accordance with this article and
- 4 administrative rules concerning the Medicaid program.

5 **(h) The office shall do the following, in accordance with the**
 6 **Centers for Medicare and Medicaid Services Medicaid guidance**
 7 **titled "Delivering Services in School-Based Settings":**

- 8 (1) **Develop and implement a school based services specific fee**
 9 **schedule.**
- 10 (2) **Use certified public expenditures.**

11 **(i) The office and the department of education shall each employ**
 12 **at least one (1) full-time employee with the primary responsibility**
 13 **of assisting with the implementation of Medicaid school based**
 14 **services.**

15 **(j) A school corporation must use the funds received in**
 16 **providing school based services under this section in a manner to**
 17 **support school based health programs and services.**

18 **(k) The office, in collaboration with the department of education**
 19 **shall provide regular training and technical assistance on the**
 20 **following to school corporation staff in the implementation of this**
 21 **chapter:**

- 22 (1) **Medicaid enrollment.**
- 23 (2) **Medicaid claims processing.**
- 24 (3) **Medicaid record keeping.**
- 25 (4) **Compliance and quality assurance.**

26 SECTION 2. [EFFECTIVE UPON PASSAGE] (a) **As used in this**
 27 **SECTION, "department" refers to the department of education.**

28 (b) **As used in this SECTION, "school based health provider"**
 29 **refers to a provider who is any of the following:**

- 30 (1) **An occupational therapist licensed under IC 25-23.5.**
- 31 (2) **A physical therapist licensed under IC 25-27.**

32 (c) **The department shall study the appropriate number of**
 33 **students on a workload for a school based health provider. As part**
 34 **of the study, the department shall identify the best methodology for**
 35 **determining the appropriate number of students on a workload for**
 36 **a school based health provider and shall consider at least the**
 37 **following concerning the methodology:**

- 38 (1) **The number of students eligible for services provided by**
 39 **a school based health provider.**
- 40 (2) **The level of need of the students eligible for services**
 41 **provided by a school based health provider.**
- 42 (3) **The recommended frequency of visits for students eligible**



- 1 **for services provided by a school based health provider.**
- 2 **(4) The number of schools served by a school based health**
- 3 **provider.**
- 4 **(5) The amount of time spent by the school based health**
- 5 **provider documenting for an individualized education**
- 6 **program (as defined in IC 20-18-2-9).**
- 7 **(6) Any other workload metrics for each profession of a school**
- 8 **based health provider.**
- 9 **(d) In conducting the study required by subsection (c), the**
- 10 **department shall do the following:**
- 11 **(1) Examine workload metrics for each profession of a school**
- 12 **based health provider.**
- 13 **(2) Develop or recommend the adoption of a workload metric**
- 14 **for each profession of a school based health provider.**
- 15 **(3) Consult with state and national professional associations**
- 16 **of occupational therapy and physical therapy.**
- 17 **(e) Before November 1, 2025, the department shall:**
- 18 **(1) submit a report to the legislative council in an electronic**
- 19 **format under IC 5-14-6; and**
- 20 **(2) post a copy of the report on the department's website.**
- 21 **(f) This SECTION expires December 31, 2025.**
- 22 **SECTION 3. An emergency is declared for this act.**

