

HOUSE BILL No. 1274

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3.6; IC 16-18-2; IC 16-46; IC 21-13; IC 21-44; IC 25-14-5.

Synopsis: Health finance matters. Adds capital projects, technology upgrades, and operational expenses for certain county hospitals to the definition of "public safety" for purposes of local income tax revenue use. Increases the maximum local income tax that may be imposed in certain counties if a tax rate is adopted for purposes related to certain hospitals located in the county. Establishes the rural hospital clinically integrated network grant program to provide grants to rural hospital clinically integrated networks. Establishes the Indiana rural hospital and critical health care services fund (rural health care services fund) for the purpose of awarding grants to certain rural hospitals. Provides that the Indiana department of health (state department) administers the rural health care services fund. Establishes the following: (1) The health workforce student loan repayment program (program). (2) The health workforce advisory board (advisory board). (3) The health workforce student loan repayment program fund (repayment program fund) for the purpose of providing funds to repay outstanding student loans of certain health providers who meet the program requirements. Provides that the state department shall administer the program and repayment program fund. Establishes: (1) the imposition of fees at the time a license is issued or renewed for certain health profession licenses; and (2) qualifications to receive a student loan repayment award under the program. Provides that, beginning July 1, 2025, the state department and each board included in the program may award a student loan repayment to an eligible applicant who is a provider licensed by the board. Provides that money in the repayment program fund is continuously appropriated. Repeals provisions concerning the
(Continued next page)

Effective: Upon passage; July 1, 2025.

Manning

January 13, 2025, read first time and referred to Committee on Ways and Means.



Digest Continued

following: (1) The primary care physician loan forgiveness program. (2) The mental health services development programs. (3) The dental underserved area and minority recruitment program. Urges the legislative council to assign to an appropriate interim study committee the task of studying topics related to the rural health care services fund. Urges the legislative council to assign to an appropriate study committee the task of studying certain topics related to health care services.



Introduced

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. 1274



A BILL FOR AN ACT to amend the Indiana Code concerning health and to make an appropriation.

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

1 SECTION 1. IC 6-3.6-2-14, AS AMENDED BY P.L.148-2024,
2 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2025]: Sec. 14. "Public safety" refers to the following:
4 (1) A police and law enforcement system to preserve public peace
5 and order.
6 (2) A firefighting and fire prevention system.
7 (3) Emergency ambulance services (as defined in
8 IC 16-18-2-107).
9 (4) Emergency medical services (as defined in IC 16-18-2-110).
10 (5) Emergency action (as defined in IC 13-11-2-65).
11 (6) A probation department of a court.
12 (7) Confinement, supervision, services under a community
13 corrections program (as defined in IC 35-38-2.6-2), or other
14 correctional services for a person who has been:
15 (A) diverted before a final hearing or trial under an agreement



- 1 that is between the prosecuting attorney of the appropriate
 2 judicial circuit and the person or the person's custodian,
 3 guardian, or parent and that provides for confinement,
 4 supervision, community corrections services, or other
 5 correctional services instead of a final action described in
 6 clause (B) or (C);
 7 (B) convicted of a crime; or
 8 (C) adjudicated as a delinquent child or a child in need of
 9 services.
- 10 (8) A juvenile detention facility under IC 31-31-8.
 11 (9) A juvenile detention center under IC 31-31-9.
 12 (10) A county jail.
 13 (11) A communications system (as defined in IC 36-8-15-3), an
 14 enhanced emergency telephone system (as defined in
 15 IC 36-8-16-2, before its repeal on July 1, 2012), a PSAP (as
 16 defined in IC 36-8-16.7-20) that is part of the statewide 911
 17 system (as defined in IC 36-8-16.7-22) and located within the
 18 county, or the statewide 911 system (as defined in
 19 IC 36-8-16.7-22).
 20 (12) Medical and health expenses for jailed inmates and other
 21 confined persons.
 22 (13) Pension payments for any of the following:
 23 (A) A member of a fire department (as defined in IC 36-8-1-8)
 24 or any other employee of the fire department.
 25 (B) A member of a police department (as defined in
 26 IC 36-8-1-9), a police chief hired under a waiver under
 27 IC 36-8-4-6.5, or any other employee hired by the police
 28 department.
 29 (C) A county sheriff or any other member of the office of the
 30 county sheriff.
 31 (D) Other personnel employed to provide a service described
 32 in this section.
 33 (14) Law enforcement training.
- 34 **(15) In the case of a county that:**
 35 **(A) has a population of less than fifty thousand (50,000);**
 36 **and**
 37 **(B) owns and operates a hospital under IC 16-22;**
 38 **capital projects, technology upgrades, and operational**
 39 **expenses for the county hospital.**
- 40 SECTION 2. IC 6-3.6-6-2, AS ADDED BY P.L.243-2015,
 41 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 42 JULY 1, 2025]: Sec. 2. (a) This section applies to all counties.



1 **(b) Except as provided in subsection (c),** the adopting body may
2 impose a tax rate under this chapter that does not exceed:

3 (1) two and five-tenths percent (2.5%) in all counties other than
4 Marion County; and

5 (2) two and seventy-five hundredths percent (2.75%) in Marion
6 County;

7 on the adjusted gross income of local taxpayers in the county served by
8 the adopting body.

9 **(c) This subsection applies only to a county having a population**
10 **of less than fifty thousand (50,000) in which a hospital that is a:**

11 **(1) hospital owned and operated by the county under**
12 **IC 16-22; or**

13 **(2) critical access hospital that meets the criteria under 42**
14 **CFR 485.601 et seq. and that provides:**

15 **(A) an emergency department that operates twenty-four**
16 **(24) hours a day, seven (7) days a week, three hundred**
17 **sixty-five (365) days a year;**

18 **(B) full-time obstetric and maternal services;**

19 **(C) primary care services, including access to primary care**
20 **providers for:**

21 **(i) initial diagnosis and treatment of various health**
22 **conditions; and**

23 **(ii) managing chronic conditions; and**

24 **(D) emergency medical services, unless the county**
25 **government otherwise operates, maintains, or contracts for**
26 **emergency medical services;**

27 **is located. The adopting body may impose a tax rate under this**
28 **chapter that exceeds two and five-tenths percent (2.5%) on the**
29 **adjusted gross income of local taxpayers in the county served by**
30 **the adopting body if the adopting body adopts an ordinance under**
31 **section 3.1 of this chapter. However, the tax rate imposed under**
32 **this chapter may not exceed two and seventy-five hundredths**
33 **percent (2.75%).**

34 SECTION 3. IC 6-3.6-6-3, AS AMENDED BY P.L.137-2024,
35 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
36 JULY 1, 2025]: Sec. 3. (a) Revenue raised from a tax imposed under
37 this chapter shall be treated as follows:

38 (1) To make the following distributions:

39 (A) If an ordinance described in section 2.5 of this chapter is
40 in effect in a county, to make a distribution to the county equal
41 to the amount of revenue generated by the rate imposed under
42 section 2.5 of this chapter.



- 1 (B) If an ordinance described in section 2.6 of this chapter is
 2 in effect in a county, to make a distribution to the county equal
 3 to the amount of revenue generated by the rate imposed under
 4 section 2.6 of this chapter.
- 5 (C) If an ordinance described in section 2.7 of this chapter is
 6 in effect in a county, to make a distribution to the county equal
 7 to the amount of revenue generated by the rate imposed under
 8 section 2.7 of this chapter.
- 9 (D) If an ordinance described in section 2.8 of this chapter is
 10 in effect in a county, to make a distribution to the county equal
 11 to the amount of revenue generated by the rate imposed under
 12 section 2.8 of this chapter.
- 13 **(E) If an ordinance described in section 3.1 of this chapter**
 14 **is in effect in a county, to make a distribution to the county**
 15 **equal to the amount of revenue generated by the rate**
 16 **imposed under section 3.1 of this chapter.**
- 17 (2) After making the distributions described in subdivision (1), if
 18 any, to make distributions to school corporations and civil taxing
 19 units in counties that formerly imposed a tax under IC 6-3.5-1.1
 20 (repealed). The revenue categorized from the next twenty-five
 21 hundredths percent (0.25%) of the rate for a former tax adopted
 22 under IC 6-3.5-1.1 (repealed) shall be allocated to school
 23 corporations and civil taxing units. The amount of the allocation
 24 to a school corporation or civil taxing unit shall be determined
 25 using the allocation amounts for civil taxing units and school
 26 corporations in the county.
- 27 (3) After making the distributions described in subdivisions (1)
 28 and (2), the remaining revenue shall be treated as additional
 29 revenue (referred to as "additional revenue" in this chapter).
 30 Additional revenue may not be considered by the department of
 31 local government finance in determining:
- 32 (A) any taxing unit's maximum permissible property tax levy
 33 limit under IC 6-1.1-18.5; or
- 34 (B) the approved property tax rate for any fund.
- 35 (b) In the case of a civil taxing unit that has pledged the tax from
 36 additional revenue for the payment of bonds, leases, or other
 37 obligations as reported by the civil taxing unit under IC 5-1-18, the
 38 adopting body may not, under section 4 of this chapter, reduce the
 39 proportional allocation of the additional revenue that was allocated in
 40 the preceding year if the reduction for that year would result in an
 41 amount less than the amount necessary for the payment of bonds,
 42 leases, or other obligations payable or required to be deposited in a



1 sinking fund or other reserve in that year for the bonds, leases, or other
 2 obligations for which the tax from additional revenue has been pledged.
 3 To inform an adopting body with regard to allocations that affect the
 4 payment of bonds, leases, or other obligations, a taxing unit may
 5 provide the adopting body with information regarding any outstanding
 6 bonds, leases, or other obligations that are secured by additional
 7 revenue. The information must be provided before the date of the
 8 public hearing at which the adopting body may change the allocation
 9 of additional revenue under section 4 of this chapter.

10 SECTION 4. IC 6-3.6-6-3.1 IS ADDED TO THE INDIANA CODE
 11 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 12 1, 2025]: **Sec. 3.1. (a) This section applies to a county having a
 13 population of less than fifty thousand (50,000) in which a hospital
 14 that is a:**

- 15 (1) county hospital; or
- 16 (2) critical access hospital;

17 **is located.**

18 (b) As used in this section, "county hospital" means a hospital
 19 that is owned and operated by the county under IC 16-22.

20 (c) As used in this section, "critical access hospital" means a
 21 critical access hospital that meets the criteria under 42 CFR
 22 485.601 et seq. and that provides:

- 23 (1) an emergency department that operates twenty-four (24)
 24 hours a day, seven (7) days a week, three hundred sixty-five
 25 (365) days a year;
- 26 (2) full-time obstetric and maternal services;
- 27 (3) primary care services, including access to primary care
 28 providers for:
 - 29 (A) initial diagnosis and treatment of various health
 30 conditions; and
 - 31 (B) managing chronic conditions; and
- 32 (4) emergency medical services, unless the county government
 33 otherwise operates, maintains, or contracts for emergency
 34 medical services.

35 (d) A county fiscal body may adopt an ordinance to impose a tax
 36 rate for:

- 37 (1) critical access hospitals; and
- 38 (2) county hospitals;

39 that are located in the county. The tax rate must be in increments
 40 of one-hundredth of one percent (0.01%) and may not exceed
 41 twenty-five hundredths of one percent (0.25%).

42 (e) The revenue generated by a tax rate imposed under this



1 section must be distributed directly to the county before the
 2 remainder of the expenditure rate revenue is distributed. The
 3 revenue shall be maintained in a separate dedicated county fund.
 4 The county may distribute the revenue directly to a critical access
 5 hospital or a county hospital, or use the revenue to pay costs on
 6 behalf of the critical access hospital or the county hospital, but the
 7 revenue may be used only for paying for capital projects,
 8 technology upgrades, and operational expenses of a critical access
 9 hospital or a county hospital.

10 SECTION 5. IC 6-3.6-9-10, AS AMENDED BY P.L.137-2024,
 11 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 12 JULY 1, 2025]: Sec. 10. The budget agency shall also certify
 13 information concerning the part of the certified distribution that is
 14 attributable to each of the following:

- 15 (1) The tax rate imposed under IC 6-3.6-5.
 16 (2) The tax rate imposed under IC 6-3.6-6, separately stating:
 17 (A) the part of the distribution attributable to a tax rate
 18 imposed under IC 6-3.6-6-2.5;
 19 (B) the part of the distribution attributable to a tax rate
 20 imposed under IC 6-3.6-6-2.6; ~~and~~
 21 (C) the part of the distribution attributable to a tax rate
 22 imposed under IC 6-3.6-6-2.7; ~~and~~
 23 **(D) the part of the distribution attributable to a tax rate**
 24 **imposed under IC 6-3.6-6-3.1.**
 25 (3) Each tax rate imposed under IC 6-3.6-7.
 26 (4) In the case of Marion County, the local income taxes paid by
 27 local taxpayers described in IC 6-3.6-2-13(3).

28 The amount certified shall be adjusted to reflect any adjustment in the
 29 certified distribution under this chapter.

30 SECTION 6. IC 16-18-2-106.8 IS ADDED TO THE INDIANA
 31 CODE AS A NEW SECTION TO READ AS FOLLOWS
 32 [EFFECTIVE JULY 1, 2025]: **Sec. 106.8. "Eligible hospital", for**
 33 **purposes of IC 16-46-18, has the meaning set forth in**
 34 **IC 16-46-18-1.**

35 SECTION 7. IC 16-18-2-143, AS AMENDED BY P.L.1-2010,
 36 SECTION 69, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 37 JULY 1, 2025]: Sec. 143. (a) "Fund", for purposes of IC 16-26-2, has
 38 the meaning set forth in IC 16-26-2-2.

39 (b) "Fund", for purposes of IC 16-31-8.5, has the meaning set forth
 40 in IC 16-31-8.5-2.

41 (c) "Fund", for purposes of IC 16-41-39.4, refers to the childhood
 42 lead poisoning prevention fund established by IC 16-41-39.4-3.1.



1 (d) "Fund", for purposes of IC 16-41-39.8, refers to the lead trust
2 fund established by IC 16-41-39.8-7.

3 (e) "Fund", for purposes of IC 16-46-5, has the meaning set forth in
4 IC 16-46-5-3.

5 (f) "Fund", for purposes of IC 16-46-12, has the meaning set forth
6 in IC 16-46-12-1.

7 (g) "Fund", for purposes of IC 16-41-42.2, has the meaning set forth
8 in IC 16-41-42.2-2.

9 (h) "Fund", for purposes of IC 16-35-8, has the meaning set forth in
10 IC 16-35-8-2.

11 (i) "Fund", for purposes of IC 16-46-18, has the meaning set
12 forth in IC 16-46-18-2.

13 (j) "Fund", for purposes of IC 16-46-19, has the meaning set
14 forth in IC 16-46-19-1.

15 SECTION 8. IC 16-18-2-320.6 IS ADDED TO THE INDIANA
16 CODE AS A NEW SECTION TO READ AS FOLLOWS
17 [EFFECTIVE JULY 1, 2025]: **Sec. 320.6. "Rural hospital", for**
18 **purposes of IC 16-46-19, has the meaning set forth in**
19 **IC 16-46-19-2.**

20 SECTION 9. IC 16-18-2-320.7 IS ADDED TO THE INDIANA
21 CODE AS A NEW SECTION TO READ AS FOLLOWS
22 [EFFECTIVE JULY 1, 2025]: **Sec. 320.7. "Rural hospital clinically**
23 **integrated network", for purposes of IC 16-46-19, has the meaning**
24 **set forth in IC 16-46-19-3.**

25 SECTION 10. IC 16-46-18 IS ADDED TO THE INDIANA CODE
26 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
27 JULY 1, 2025]:

28 **Chapter 18. Indiana Rural Hospital and Critical Health Care**
29 **Services Fund**

30 **Sec. 1. As used in this chapter, "eligible hospital" means a**
31 **hospital located in a county having a population of less than fifty**
32 **thousand (50,000) that is a:**

33 (1) **critical access hospital that meets the criteria under 42**
34 **CFR 485.601 et seq.; or**

35 (2) **hospital owned and operated by the county under**
36 **IC 16-22.**

37 **Sec. 2. As used in this chapter, "fund" refers to the Indiana**
38 **rural hospital and critical health care services fund established by**
39 **section 3 of this chapter.**

40 **Sec. 3. (a) The Indiana rural hospital and critical health care**
41 **services fund is established for the purpose of awarding grants**
42 **under this chapter.**



1 (b) The fund shall be administered by the state department.

2 (c) The fund consists of:

3 (1) appropriations from the general assembly; and

4 (2) grants, gifts, and donations to the fund.

5 (d) The expenses of administering the fund shall be paid from
6 money in the fund.

7 Sec. 4. An eligible hospital may apply for a grant from the fund
8 in the form and manner prescribed by the state department.

9 Sec. 5. Subject to section 6 of this chapter, of the amount
10 available to make grants in a state fiscal year, the state department
11 shall award grants in equal amounts to each eligible hospital that
12 submits an application.

13 Sec. 6. The state department shall allocate at least seventy-five
14 percent (75%) of the amount available to the state department to
15 make grants in a state fiscal year to eligible hospitals that provide
16 the following:

17 (1) An emergency department that operates twenty-four (24)
18 hours a day, seven (7) days a week, three hundred sixty-five
19 (365) days a year.

20 (2) Full-time obstetric and maternal services.

21 (3) Primary care services, including access to primary care
22 providers for:

23 (A) initial diagnosis and treatment of various health
24 conditions; and

25 (B) managing chronic conditions.

26 (4) Emergency medical services, unless the county
27 government otherwise operates, maintains, or contracts for
28 emergency medical services.

29 Sec. 7. A grant awarded to an eligible hospital from the fund
30 may be used for:

31 (1) facility, technology, or equipment upgrades; and

32 (2) any other operational expense or purpose as determined
33 necessary by the eligible hospital.

34 Sec. 8. Except as otherwise provided in this chapter, the state
35 department may not impose terms or conditions on a grant
36 awarded from the fund.

37 SECTION 11. IC 16-46-19 IS ADDED TO THE INDIANA CODE
38 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
39 JULY 1, 2025]:

40 Chapter 19. Rural Hospital Clinically Integrated Network
41 Grant Program

42 Sec. 1. As used in this chapter, "fund" refers to the rural



1 hospital clinically integrated network fund established by section
2 6 of this chapter.

3 **Sec. 2. As used in this chapter, "rural hospital" means a hospital**
4 **located in a county having a population of less than fifty thousand**
5 **(50,000).**

6 **Sec. 3. As used in this chapter, "rural hospital clinically**
7 **integrated network" means a collaboration between rural hospitals**
8 **and health care providers that:**

9 (1) is established to:

10 (A) facilitate collaboration among health care providers in
11 rural areas;

12 (B) improve patient outcomes;

13 (C) improve operational sustainability among participating
14 hospitals and health care providers;

15 (D) reduce health care costs; and

16 (E) negotiate the terms and conditions of health provider
17 contracts (as defined in IC 27-1-37-3);

18 (2) complies with applicable state and federal laws;

19 (3) has a governance structure that includes representation of
20 each participating rural hospital and health care provider;
21 and

22 (4) may include collaboration with other rural health care
23 entities, such as independent rural health clinics, independent
24 physician practices, or community based organizations
25 focused on addressing social determinants of health.

26 **Sec. 4. The rural hospital clinically integrated network grant**
27 **program is established to provide grants to rural hospital clinically**
28 **integrated networks to do the following:**

29 (1) Implement data sharing platforms.

30 (2) Enter into value based health care reimbursement
31 agreements.

32 (3) Use data analysis software to:

33 (A) provide risk stratification; and

34 (B) manage patient referrals.

35 (4) Develop an integrated system for patient care
36 coordination.

37 (5) Staff the rural hospital clinically integrated network.

38 **Sec. 5. (a) The state department shall administer the rural**
39 **hospital clinically integrated network grant program.**

40 (b) The state department may contract with the Indiana Rural
41 Health Association to administer the rural hospital clinically
42 integrated network grant program.



1 **Sec. 6. (a) The rural hospital clinically integrated network fund**
 2 **is established for the purpose of providing grants under this**
 3 **chapter. The state department shall administer the fund.**

4 **(b) The fund consists of:**

- 5 **(1) appropriations from the general assembly; and**
 6 **(2) grants, gifts, and donations to the fund.**

7 **(c) The expenses of administering the fund shall be paid from**
 8 **money in the fund.**

9 **Sec. 7. To be eligible for a grant, a rural hospital clinically**
 10 **integrated network must do the following:**

- 11 **(1) Apply to the state department in the manner and on a**
 12 **form prescribed by the state department.**
 13 **(2) Provide the state department with a strategic plan to meet**
 14 **the goals described in section 4 of this chapter.**
 15 **(3) Agree to provide an amount equal to at least twenty**
 16 **percent (20%) of the amount of the awarded grant for the**
 17 **purpose of meeting the goals described in section 4 of this**
 18 **chapter.**

19 **Sec. 8. A grant awarded under this chapter may not exceed**
 20 **three million five hundred thousand dollars (\$3,500,000).**

21 **Sec. 9. A rural hospital clinically integrated network that**
 22 **receives a grant under this chapter shall, not later than July 1,**
 23 **2026, and each July 1 thereafter, submit a report to the state**
 24 **department summarizing the network's use of the grant funds and**
 25 **the status of the network's strategic plan described in section 7(2)**
 26 **of this chapter.**

27 SECTION 12. IC 21-13-1-5, AS AMENDED BY P.L.148-2016,
 28 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 29 JULY 1, 2025]: Sec. 5. "Fund":

- 30 (1) for purposes of IC 21-13-2, refers to the William A. Crawford
 31 minority teacher scholarship fund established by IC 21-13-2-1;
 32 (2) for purposes of IC 21-13-4, refers to the National Guard
 33 tuition supplement program fund established by IC 21-13-4-1;
 34 (3) for purposes of IC 21-13-5, refers to the National Guard
 35 scholarship extension fund established by IC 21-13-5-1; **and**
 36 ~~(4) for purposes of IC 21-13-6, refers to the primary care~~
 37 ~~physician loan forgiveness fund established by IC 21-13-6-3; and~~
 38 ~~(5) (4) for purposes of IC 21-13-6.5, refers to the medical~~
 39 ~~residency education fund established by IC 21-13-6.5-1.~~

40 SECTION 13. IC 21-13-6 IS REPEALED [EFFECTIVE JULY 1,
 41 2025]. (Primary Care Physician Loan Forgiveness Program).

42 SECTION 14. IC 21-13-13 IS ADDED TO THE INDIANA CODE



1 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
2 JULY 1, 2025]:

3 **Chapter 13. Health Workforce Student Loan Repayment**
4 **Program**

5 **Sec. 1. As used in this chapter, "advisory board" refers to the**
6 **health workforce advisory board established by section 10 of this**
7 **chapter.**

8 **Sec. 2. As used in this chapter, "board" refers to any of the**
9 **following:**

- 10 (1) The state board of dentistry (IC 25-14-1-2).
11 (2) The medical licensing board of Indiana (IC 25-22.5-2-1).
12 (3) The Indiana state board of nursing (IC 25-23-1-2).
13 (4) The occupational therapy committee (IC 25-23.5-2-1).
14 (5) The behavioral health and human services licensing board
15 (IC 25-23.6-2-1).
16 (6) The Indiana optometry board (IC 25-24-1-1).
17 (7) The Indiana board of pharmacy (IC 25-26-13-3).
18 (8) The Indiana board of physical therapy (IC 25-27-1-4).
19 (9) The physician assistant committee (IC 25-27.5-3-1).
20 (10) The board of podiatric medicine (IC 25-29-2-1).
21 (11) The state psychology board (IC 25-33-1-3).
22 (12) The speech-language pathology and audiology board (IC
23 25-35.6-2-1).

24 **Sec. 3. As used in this chapter, "eligible provider" means a**
25 **provider who meets the requirements described in section 15(b) of**
26 **this chapter.**

27 **Sec. 4. As used in this chapter, "fund" refers to the health**
28 **workforce student loan repayment program fund established by**
29 **section 11 of this chapter.**

30 **Sec. 5. As used in this chapter, "license" means:**

- 31 (1) an unlimited license, permit, certificate, or certificate of
32 registration;
33 (2) a temporary, limited, or probationary license, permit,
34 certificate, or certificate of registration;
35 (3) an intern permit; or
36 (4) a provisional license;

37 **issued by a board to a provider.**

38 **Sec. 6. As used in this chapter, "program" refers to the health**
39 **workforce student loan repayment program established by section**
40 **9 of this chapter.**

41 **Sec. 7. As used in this chapter, "provider" means any of the**
42 **following:**



- 1 (1) A dentist licensed under IC 25-14.
- 2 (2) A physician licensed under IC 25-22.5.
- 3 (3) A nurse licensed under IC 25-23, including nursing faculty.
- 4 (4) An occupational therapist licensed under IC 25-23.5.
- 5 (5) A clinical social worker licensed under IC 25-23.6-5.
- 6 (6) A marriage and family therapist licensed under
- 7 IC 25-23.6-8.
- 8 (7) A mental health counselor licensed under IC 25-23.6-8.5.
- 9 (8) A clinical addiction counselor licensed under
- 10 IC 25-23.6-10.5.
- 11 (9) An optometrist licensed under IC 25-24.
- 12 (10) A pharmacist licensed under IC 25-26.
- 13 (11) A physical therapist licensed under IC 25-27.
- 14 (12) A physician assistant licensed under IC 25-27.5-4.
- 15 (13) A podiatrist licensed under IC 25-29.
- 16 (14) A psychologist licensed under IC 25-33-1.
- 17 (15) A speech-language pathologist licensed under IC 25-35.6.
- 18 (16) An audiologist licensed under IC 25-35.6.

19 **Sec. 8.** As used in this chapter, "state department" refers to the
20 Indiana department of health.

21 **Sec. 9.** The health workforce student loan repayment program
22 is established. The state department shall administer the program.

23 **Sec. 10. (a)** The health workforce advisory board is established
24 under the executive branch of state government for the purpose of
25 advising the state department on the administration of the
26 program.

27 **(b)** The advisory board consists of the following members:

- 28 (1) The executive director of the professional licensing agency
- 29 or the director's designee.
- 30 (2) The commissioner of the department of workforce
- 31 development or the commissioner's designee.
- 32 (3) The secretary of family and social services or the
- 33 secretary's designee.
- 34 (4) The commissioner of the state department or the
- 35 commissioner's designee.
- 36 (5) The commissioner of the commission for higher education
- 37 or the commissioner's designee.
- 38 (6) The secretary of education or the secretary's designee.
- 39 (7) One (1) member of the senate, appointed by the president
- 40 pro tempore of the senate.
- 41 (8) One (1) member of the house of representatives, appointed
- 42 by the speaker of the house of representatives.



- 1 **(9) One (1) member who is a member of the Indiana**
 2 **commission to combat substance use disorder.**
 3 **(10) One (1) representative from the governor's workforce**
 4 **cabinet.**
 5 **(11) One (1) representative from the Indiana Hospital**
 6 **Association.**
 7 **(12) One (1) representative from the Indiana Rural Health**
 8 **Association.**
 9 **(13) One (1) representative from the Indiana Primary Health**
 10 **Care Association.**
 11 **(14) One (1) representative from the Indiana Minority Health**
 12 **Coalition.**
 13 **(15) One (1) representative from the Indiana Health Care**
 14 **Association.**
 15 **(16) One (1) representative from the Bowen Center for Health**
 16 **Workforce Research and Policy at Indiana University.**
 17 **(17) One (1) member who is a nurse licensed under IC 25-23-1**
 18 **or has held a license as a nurse in Indiana within the last five**
 19 **(5) years.**
 20 **(c) The members described in subsection (b)(9) through (b)(17)**
 21 **shall be appointed by the governor.**
 22 **(d) The members shall annually elect a chairperson of the**
 23 **advisory board.**
 24 **(e) A majority of the members of the advisory board constitutes**
 25 **a quorum. The affirmative votes of a majority of the voting**
 26 **members of the advisory board are required for the advisory**
 27 **board to take action.**
 28 **(f) A member of the advisory board who is a member of the**
 29 **general assembly is a nonvoting member of the advisory board.**
 30 **(g) An appointed member of the advisory board serves a:**
 31 **(1) one (1) year term, beginning July 1, 2025, and ending June**
 32 **30, 2026; and**
 33 **(2) two (2) year term thereafter, beginning July 1 of every**
 34 **odd-numbered year and ending June 30 of the following**
 35 **odd-numbered year.**
 36 **An appointed member may be reappointed at the conclusion of the**
 37 **member's term. An appointed member of the advisory board**
 38 **serves at the will of the member's appointing authority. If a**
 39 **vacancy occurs on the advisory board, the appointing authority**
 40 **that appointed the member whose position is vacant shall appoint**
 41 **an individual to fill the vacancy.**
 42 **(h) The advisory board:**



1 (1) shall meet at the call of the chairperson at least one (1)
2 time each quarter during 2025 and each year thereafter; and

3 (2) may meet at any time at the call of:

4 (A) the chairperson; or

5 (B) a majority of the members of the advisory board.

6 (i) The state department shall staff the advisory board.

7 (j) Except as provided in subsection (m), and subject to section
8 11(d) of this chapter, the expenses of the advisory board shall be
9 paid from the fund.

10 (k) A member of the advisory board who is not a state employee
11 is not entitled to the minimum salary per diem provided by
12 IC 4-10-11-2.1(b). The member is, however, entitled to
13 reimbursement for mileage and traveling expenses as provided
14 under IC 4-13-1-4 and other expenses actually incurred in
15 connection with the member's duties as provided in the state
16 policies and procedures established by the Indiana department of
17 administration and approved by the budget agency.

18 (l) Each member of the advisory board who is a state employee,
19 but who is not a member of the general assembly, is entitled to
20 reimbursement for mileage and traveling expenses as provided
21 under IC 4-13-1-4 and other expenses actually incurred in
22 connection with the member's duties as provided in the state
23 policies and procedures established by the Indiana department of
24 administration and approved by the budget agency.

25 (m) Each member of the advisory board who is a member of the
26 general assembly is entitled to receive the same per diem, mileage,
27 and travel allowances paid to legislative members of interim study
28 committees established by the legislative council. Per diem,
29 mileage, and travel allowances paid under this subsection shall be
30 paid from appropriations made to the legislative council or the
31 legislative services agency.

32 Sec. 11. (a) The health workforce student loan repayment
33 program fund is established for the purpose of providing funds to
34 repay outstanding student loans of providers who meet the
35 requirements of this chapter.

36 (b) The fund consists of the following:

37 (1) Appropriations made by the general assembly.

38 (2) Fees collected under section 12 of this chapter.

39 (3) Gifts, grants, devises, or bequests made to the state
40 department to achieve the purposes of the fund.

41 (c) The state department shall administer the fund.

42 (d) The expenses of administering the fund shall be paid from



1 money in the fund but may not exceed a total of one hundred
2 thousand dollars (\$100,000) each biennium.

3 (e) Money in the fund is continuously appropriated to:

4 (1) carry out the purposes of the fund; and

5 (2) subject to subsection (d), cover the costs incurred by the
6 state department in administering the program.

7 (f) The state department shall establish a separate account
8 within the fund for each board. On June 30, 2027, and on June 30
9 every two (2) years thereafter, any money in a separate account
10 established under this subsection reverts to the fund.

11 (g) The treasurer of state shall invest the money in the fund not
12 currently needed to meet the obligations of the fund in the same
13 manner as other public funds may be invested. Interest that
14 accrues from investments under this subsection must be deposited
15 in the fund.

16 (h) Money in the fund at the end of a state fiscal year does not
17 revert to the state general fund but remains available to be used for
18 the purposes of this chapter.

19 Sec. 12. (a) Beginning not later than October 1, 2025, and in
20 addition to any other fee imposed for the issuance or renewal of a
21 license, each board shall, at the time a license is issued or renewed,
22 collect a fee in the following amounts:

23 (1) Ten dollars (\$10), if a fee for the issuance or renewal of a
24 license is not more than one hundred dollars (\$100).

25 (2) Twenty dollars (\$20), if a fee for the issuance or renewal
26 of a license is more than one hundred dollars (\$100).

27 (b) Each board shall deposit fees collected by the board under
28 this section into the fund.

29 Sec. 13. (a) Except as provided in subsection (c), the money in
30 the fund shall be allocated and used as follows:

31 (1) An amount that may not exceed one hundred thousand
32 dollars (\$100,000) each biennium shall remain in the fund for
33 use by the state department to cover the costs incurred by the
34 state department in administering the program.

35 (2) An amount equal to the amount determined in STEP
36 THREE of the following formula shall remain in the fund for
37 use by the state department to award student loan repayment
38 to an eligible provider under this chapter:

39 STEP ONE: Determine the total amount of money in the
40 fund minus any gifts, grants, devises, or bequests that have
41 been directed to be used as described in subsection (b).

42 STEP TWO: Subtract the amount retained by the state



1 department under subdivision (1) from the amount
2 determined under STEP ONE.

3 **STEP THREE: Determine the result of:**

4 (A) the amount determined under STEP TWO;
5 multiplied by

6 (B) fifty percent (50%).

7 (3) An amount equal to the amount determined in STEP
8 THREE of the following formula shall be transferred to each
9 board's account for use by the respective board to award
10 student loan repayment to eligible providers licensed by that
11 board:

12 **STEP ONE:** Subtract the amount determined in STEP
13 THREE of subdivision (2) from the amount determined in
14 STEP TWO of subdivision (2).

15 **STEP TWO:** For each board, divide the total number of
16 providers licensed by that board by the total number of
17 providers licensed by all of the boards.

18 **STEP THREE:** Multiply the amount determined under
19 STEP ONE by the quotient determined under STEP TWO
20 for each respective board.

21 (b) A person providing a gift, grant, devise, or bequest to the
22 fund may direct that the gift, grant, devise, or bequest be used for
23 student loan repayments for eligible providers of a specific
24 profession.

25 (c) If a person has directed that a gift, grant, devise, or bequest
26 be used for student loan repayments for eligible providers of a
27 specific profession, the state department shall transfer the amount
28 of the gift, grant, devise, or bequest to the applicable board's
29 account for student loan repayments to eligible providers of that
30 profession. A board may use a gift, grant, devise, or bequest
31 described in this subsection only to award student loan repayments
32 to eligible providers of the specified profession.

33 **Sec. 14. (a)** The advisory board shall serve as a resource to the
34 state department as the state department administers the program.

35 (b) The advisory board shall advise the state department on the
36 following:

37 (1) The eligibility requirements for the program.

38 (2) The eligible providers the advisory board recommends be
39 awarded student loan repayments under this chapter.

40 (3) Award amounts for the award of student loan repayments
41 under this chapter.

42 (4) Areas of need for workforce and workforce development



1 in the respective professions that a board licenses.

2 (c) The state department shall provide to each board all
3 information:

4 (1) obtained from the advisory board under this section; and

5 (2) concerning the board's licensees.

6 Sec. 15. (a) Beginning July 1, 2026, the state department and
7 each board may award student loan repayments to any eligible
8 provider who:

9 (1) is a provider licensed by the board; and

10 (2) meets the requirements of this chapter.

11 (b) To be eligible to receive a student loan repayment award
12 under this chapter, a provider must meet the following
13 requirements:

14 (1) Apply on a form prescribed by the state department.

15 (2) Be a provider and practice a profession that is licensed by
16 a board.

17 (3) Have an outstanding student loan balance.

18 (4) Provide essential services directly to Indiana residents.

19 (5) Agree in writing to:

20 (A) practice full time the applicable profession and provide
21 essential services for a specified number of years in a
22 health workforce shortage area in Indiana, as determined
23 by the state department; and

24 (B) meet any other requirements established by the state
25 department.

26 (6) Meet any other requirements established by the state
27 department.

28 (c) The state department shall determine the amount of a
29 student loan repayment award that an eligible provider receives
30 under this chapter.

31 (d) If the state department or a board awards student loan
32 repayment to an eligible provider under this chapter, the state
33 department or board:

34 (1) shall, subject to subdivision (3), make the student loan
35 repayment award in an amount determined by the state
36 department at the end of each state fiscal year;

37 (2) shall transfer the student loan repayment award directly
38 to the holder of the eligible provider's student loans; and

39 (3) may not make the student loan repayment award to the
40 eligible provider unless the eligible provider:

41 (A) met the requirements of this chapter during that state
42 fiscal year; and



1 (B) has, for at least one (1) year, practiced full time the
2 applicable profession and provided essential services in a
3 health workforce shortage area as described in subsection
4 (b)(5)(A).

5 (e) The state department or a board may make student loan
6 repayment awards to an eligible provider under this chapter until
7 the balance of the eligible provider's student loans are paid in full.

8 Sec. 16. (a) The state department shall prepare a report that
9 includes the following:

10 (1) The receipt, disbursement, and uses of money from the
11 fund and the separate accounts within the fund.

12 (2) The number of applications submitted for student loan
13 repayment under the program.

14 (3) The number and amount of student loan repayment
15 awards that have been provided by the state department and
16 each board.

17 (4) An evaluation of the short and long term impact of the
18 program on Indiana health workforce shortages.

19 (5) Any other information collected concerning the fund,
20 program, or student loan repayments awarded under this
21 chapter.

22 (b) Not later than July 1, 2027, and not later than July 1 every
23 two (2) years thereafter, the state department shall submit the
24 report described in subsection (a) to the following:

25 (1) The governor.

26 (2) The general assembly in an electronic format under
27 IC 5-14-6.

28 Sec. 17. The state department, in consultation with the advisory
29 board, shall adopt rules under IC 4-22-2 to:

30 (1) establish eligibility requirements to receive student loan
31 repayment awards under the program; and

32 (2) otherwise administer the program.

33 Sec. 18. This chapter expires July 1, 2036.

34 SECTION 15. IC 21-44-1-3, AS AMENDED BY P.L.190-2015,
35 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
36 JULY 1, 2025]: Sec. 3. (a) "Board", for purposes of IC 21-44-5, refers
37 to the medical education board established by IC 21-44-5-1.

38 (b) "Board", for purposes of IC 21-44-6, refers to the mental health
39 and addiction services development programs board established by
40 IC 21-44-6-1.

41 (c) (b) "Board", for purposes of IC 21-44-7, refers to the graduate
42 medical education board established by IC 21-44-7-2.



1 SECTION 16. IC 21-44-1-16 IS REPEALED [EFFECTIVE JULY
2 1, 2025]. Sec. 16. "Training track program", for purposes of
3 IC 21-44-6, refers to the program for individuals in the public sector
4 psychiatry development program.

5 SECTION 17. IC 21-44-6 IS REPEALED [EFFECTIVE JULY 1,
6 2025]. (Mental Health Services Development Programs).

7 SECTION 18. IC 25-14-5 IS REPEALED [EFFECTIVE JULY 1,
8 2025]. (Dental Underserved Area and Minority Recruitment Program).

9 SECTION 19. [EFFECTIVE UPON PASSAGE] (a) **As used in this**
10 **SECTION, "fund" refers to the Indiana rural hospital and critical**
11 **health care services fund established by IC 16-46-18-3, as added by**
12 **this act.**

13 (b) **The legislative council is urged to assign to the appropriate**
14 **study committee during the 2025 legislative interim the task of**
15 **studying the following issues related to the fund:**

16 (1) **The amount of funding necessary for the number and**
17 **amounts of grants awarded from the fund to result in**
18 **increased access to critical health care services in counties**
19 **with a population of less than fifty thousand (50,000).**

20 (2) **The types of hospitals that should be eligible for a grant**
21 **from the fund.**

22 (3) **The requirements, if any, that a hospital should be**
23 **required to meet to be eligible, or to maintain eligibility, for**
24 **a grant from the fund, including potential requirements**
25 **concerning particular health care services offered by the**
26 **hospital.**

27 (c) **This SECTION expires December 31, 2025.**

28 SECTION 20. [EFFECTIVE UPON PASSAGE] (a) **The legislative**
29 **council is urged to assign to the appropriate study committee**
30 **during the 2025 legislative interim the task of studying the**
31 **following topics:**

32 (1) **Whether state funded telehealth expansion grants should**
33 **be provided to hospitals that are located in counties with a**
34 **population of less than fifty thousand (50,000) and that are:**

35 (A) **critical access hospitals that meet the criteria under 42**
36 **CFR 485.601 et seq.; or**

37 (B) **hospitals owned and operated by the county under**
38 **IC 16-22;**

39 **for the purposes of expanding telehealth and telemedicine**
40 **services, improving access to specialists, and reducing travel**
41 **burdens for patients.**

42 (2) **Whether the state should implement state funded rural**



- 1 health care workforce training programs for health care
- 2 professionals in rural areas that focus on:
- 3 (A) helping health care professionals develop skills unique
- 4 to rural health care needs; and
- 5 (B) fostering partnerships between medical schools and
- 6 rural hospitals to bring medical students to rural areas,
- 7 including expanding and funding medical residencies in
- 8 rural areas.
- 9 (3) Increasing state funding for emergency medical services,
- 10 including training and equipment grants and ongoing funding
- 11 for operating expenses.
- 12 (4) Whether the state should provide additional grants to
- 13 hospitals that provide the following services:
- 14 (A) An emergency department that operates twenty-four
- 15 (24) hours a day, seven (7) days a week, three hundred
- 16 sixty-five (365) days a year.
- 17 (B) Full-time obstetric and maternal services.
- 18 (C) Primary care services, including access to primary
- 19 care providers for:
- 20 (i) initial diagnosis and treatment of various health
- 21 conditions; and
- 22 (ii) managing chronic conditions.
- 23 (D) Emergency medical services, unless the county
- 24 government otherwise operates, maintains, or contracts for
- 25 emergency medical services.
- 26 (E) Cardiac care services, including providing
- 27 electrocardiograms and managing acute cardiac events.
- 28 (F) Stroke care services, including assessment and initial
- 29 treatment of stroke patients.
- 30 (G) Trauma care services, including basic trauma care
- 31 capabilities, wound management and stabilization, and
- 32 basic laboratory and diagnostic imaging capabilities.
- 33 (H) Pharmacy services, including pharmacy services
- 34 related to acute conditions and stabilization of chronic
- 35 illnesses.
- 36 (I) Pediatric emergency care services.
- 37 (b) This SECTION expires December 31, 2025.
- 38 SECTION 21. An emergency is declared for this act.

