

HOUSE BILL No. 1302

DIGEST OF INTRODUCED BILL

Citations Affected: IC 12-15.

Synopsis: Medicaid and medical equipment. Removes medical equipment and supplies from the list of items or services for which the office of the secretary of family and services (office) may seek competitive bids for the Medicaid program. Establishes an appeal process for Medicaid providers concerning a determination that a claim was not a clean claim. Sets forth requirements of the appeals process. Specifies that the office, managed care organizations, subcontractors, and third party administrators must reimburse: (1) durable medical equipment; (2) complex rehabilitation technology; and (3) supplies; at a rate that is at least 100% of the rate in specified fee schedules. Requires the office to develop and implement a tool to assist in the determination of capped rental payments for certain items. Adds a member to the Medicaid advisory committee.

Effective: July 1, 2022.

Olthoff, Slager

January 11, 2022, read first time and referred to Committee on Public Health.



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.

HOUSE BILL No. 1302

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

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

1 SECTION 1. IC 12-15-11-7 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2022]: Sec. 7. The office may seek
3 competitive bids for the following items or services provided under
4 Medicaid:

- 5 (1) Prescribed drugs and services for state operated institutions.
- 6 (2) Physical therapy and other therapeutic services.
- 7 (3) Prescribed laboratory and x-ray services.
- 8 (4) Eyeglasses and prosthetic devices.
- 9 ~~(5) Medical equipment and supplies.~~
- 10 ~~(6)~~ (5) Transportation services.

11 SECTION 2. IC 12-15-13-0.5 IS AMENDED TO READ AS
12 FOLLOWS [EFFECTIVE JULY 1, 2022]: Sec. 0.5. (a) Except as
13 provided in section 0.6 of this chapter, as used in this chapter, "clean
14 claim" means a claim submitted by a provider for payment under the
15 Medicaid program that can be processed without obtaining additional
16 information from:

- 17 (1) the provider of the service; or



- 1 (2) a third party.
- 2 (b) The definition under subsection (a):
- 3 (1) includes a claim with:
- 4 (A) errors originating in the state's office's claims processing
- 5 system; and
- 6 (B) any supporting documents for that claim that were
- 7 submitted or obtained by the provider in compliance with
- 8 this chapter but were erroneously missing, lost, or not
- 9 included in the processing of the claim by the office; and
- 10 (2) does not include a claim:
- 11 (A) from a provider who is under investigation for fraud or
- 12 abuse (as used in 42 CFR 447.45(b)); or
- 13 (B) under review for medical necessity.
- 14 SECTION 3. IC 12-15-13-1.6 IS AMENDED TO READ AS
- 15 FOLLOWS [EFFECTIVE JULY 1, 2022]: Sec. 1.6. (a) This section
- 16 does not apply to claims submitted for payment by nursing facilities.
- 17 (b) The office shall pay or deny each clean claim in accordance with
- 18 section 1.7 of this chapter.
- 19 (c) The office shall deny or suspend each claim that is not a clean
- 20 claim in accordance with subsection (d).
- 21 (d) The office shall deny or suspend each claim that is:
- 22 (1) not a clean claim; and
- 23 (2) submitted by a provider for payment under the Medicaid
- 24 program;
- 25 not more than thirty (30) days after the date the claim is received by the
- 26 office or, if IC 12-15-30 applies, by the contractor under IC 12-15-30.
- 27 (e) If the office denies a provider's claim for payment under
- 28 subsection (d) or section 1.7 of this chapter, the office shall notify the
- 29 provider of each reason the claim was denied.
- 30 (f) If the office suspends a provider's claim for payment under
- 31 subsection (d), the office shall notify the provider of each reason the
- 32 claim was suspended. **A provider may appeal a denial determination**
- 33 **as set forth in section 1.8 of this chapter.**
- 34 SECTION 4. IC 12-15-13-1.8 IS ADDED TO THE INDIANA
- 35 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
- 36 [EFFECTIVE JULY 1, 2022]: **Sec. 1.8. (a) This section does not**
- 37 **apply to claims submitted for payment by nursing facilities.**
- 38 **(b) The office of the secretary shall do the following:**
- 39 **(1) Establish an appeals process for a provider to appeal a**
- 40 **determination by the office (as defined in section 0.4 of this**
- 41 **chapter) that a claim was not a clean claim under section 1.6**
- 42 **of this chapter after the provider completed the office's**



- 1 **appeal process.**
- 2 **(2) Provide staff of the office of the secretary or contract with**
- 3 **a third party to review and make a determination on any**
- 4 **appeal filed by a provider under this section.**
- 5 **(3) Enforce any determination made by the office of the**
- 6 **secretary concerning an appeal filed under this section.**
- 7 **(c) Not later than sixty (60) days from a determination by the**
- 8 **office that a provider's claim was not a clean claim under section**
- 9 **1.6 of this chapter and following the completion of any internal**
- 10 **appeals process of the office, the provider may appeal the**
- 11 **determination to the office of the secretary in a manner set forth**
- 12 **by the office of the secretary.**
- 13 **(d) An appeal process under this section must include the**
- 14 **following:**
- 15 **(1) Notice by the office of the secretary to the office within**
- 16 **seven (7) days of the filing of the appeal by a provider under**
- 17 **this section concerning a clean claim determination by the**
- 18 **office.**
- 19 **(2) Requirement that the office respond to the appeal to the**
- 20 **office of the secretary and the provider not later than fourteen**
- 21 **(14) days from the date the notice was provided to the office.**
- 22 **(3) Enforcement of the appeals determination made by the**
- 23 **office of the secretary or the third party.**
- 24 **(4) Written notice of the appeal determination to the office**
- 25 **and the provider.**
- 26 **If the office does not respond to the appeal within the time**
- 27 **specified in subdivision (2), the office of the secretary or the**
- 28 **contracted third party shall make a determination on the appeal**
- 29 **based on the information provided by the provider that filed the**
- 30 **appeal and any information accessible to the office of the secretary**
- 31 **concerning the claim determination that is being appealed.**
- 32 **(e) If the office of the secretary or a third party determines that**
- 33 **the claim being appealed under this section was a clean claim and**
- 34 **decides in favor of the provider, the office shall treat the claim as**
- 35 **a clean claim and reimburse the provider for the claim not later**
- 36 **than thirty (30) days from the receipt of notice by the office of the**
- 37 **secretary or the third party to the office that the claim was**
- 38 **determined to be a clean claim and the appeal was decided in favor**
- 39 **of the provider.**
- 40 **(f) The office of the secretary may adopt rules under IC 4-22-2**
- 41 **for the establishment, administration, and enforcement of the**
- 42 **appeals process required under this section.**



1 SECTION 5. IC 12-15-13-10 IS ADDED TO THE INDIANA
 2 CODE AS A NEW SECTION TO READ AS FOLLOWS
 3 [EFFECTIVE JULY 1, 2022]: **Sec. 10. (a) The office and any third**
 4 **party administrator shall reimburse for the following at a rate that**
 5 **is at least one hundred percent (100%) of the office's current**
 6 **Medicaid professional or outpatient fee schedules:**

7 (1) Durable medical equipment.

8 (2) Complex rehabilitation technology.

9 (3) Supplies.

10 (b) Before July 1, 2023, the office shall develop and implement
 11 a tool to assist in the determination of same or similar items in
 12 establishing capped rental payments for providers that includes the
 13 full term of the capped rental period for an item described in
 14 subsection (a).

15 SECTION 6. IC 12-15-33-3, AS AMENDED BY P.L.140-2019,
 16 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 17 JULY 1, 2022]: Sec. 3. (a) The committee shall be appointed as
 18 follows:

19 (1) One (1) member shall be appointed by the administrator of the
 20 office to represent each of the following organizations:

21 (A) Indiana Council of Community Mental Health Centers.

22 (B) Indiana State Medical Association.

23 (C) Indiana State Chapter of the American Academy of
 24 Pediatrics.

25 (D) Indiana Hospital Association.

26 (E) Indiana Dental Association.

27 (F) Indiana State Psychiatric Association.

28 (G) Indiana State Osteopathic Association.

29 (H) Indiana State Nurses Association.

30 (I) Indiana State Licensed Practical Nurses Association.

31 (J) Indiana State Podiatry Association.

32 (K) Indiana Health Care Association.

33 (L) Indiana Optometric Association.

34 (M) Indiana Pharmaceutical Association.

35 (N) Indiana Psychological Association.

36 (O) Indiana State Chiropractic Association.

37 (P) Indiana Ambulance Association.

38 (Q) Indiana Association for Home Care.

39 (R) Indiana Academy of Ophthalmology.

40 (S) Indiana Speech and Hearing Association.

41 (T) Indiana Academy of Physician Assistants.

42 (U) Indiana Association of Rehabilitation Facilities.



- 1 (V) Indiana Association of Health Plans.
 2 (W) Indiana Primary Health Care Association.
 3 **(X) Great Lakes Home Medical Services Association.**
 4 (2) Ten (10) members shall be appointed by the governor as
 5 follows:
 6 (A) One (1) member who represents agricultural interests.
 7 (B) One (1) member who represents business and industrial
 8 interests.
 9 (C) One (1) member who represents labor interests.
 10 (D) One (1) member who represents insurance interests.
 11 (E) One (1) member who represents a statewide taxpayer
 12 association.
 13 (F) Two (2) members who are parent advocates.
 14 (G) Three (3) members who represent Indiana citizens.
 15 (3) Six (6) members shall be appointed by the president pro
 16 tempore of the senate acting in the capacity as president pro
 17 tempore of the senate to represent the senate. Three (3) of the
 18 members appointed under this subdivision shall serve on the
 19 standing fiscal subcommittee created under section 8(b) of this
 20 chapter.
 21 (4) Six (6) members shall be appointed by the speaker of the
 22 house of representatives to represent the house of representatives.
 23 Three (3) of the members appointed under this subdivision shall
 24 serve on the standing fiscal subcommittee created under section
 25 8(b) of this chapter.
 26 (b) Notwithstanding subsection (a)(3), after consultation with the
 27 minority leader of the senate, the president pro tempore of the senate
 28 shall appoint three (3) of the members from the minority party of the
 29 senate.
 30 (c) Notwithstanding subsection (a)(4), after consultation with the
 31 minority leader of the house of representatives, the speaker of the
 32 house shall appoint three (3) of the members from the minority party
 33 of the house.

