



February 7, 2023

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## HOUSE BILL No. 1313

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DIGEST OF HB 1313 (Updated February 7, 2023 11:59 am - DI 147)

**Citations Affected:** IC 12-7; IC 12-15.

**Synopsis:** Medicaid reimbursement for children's hospitals. Extends the expiration date of language specifying Medicaid reimbursement of certain out of state children's hospitals.

**Effective:** Upon passage.

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**Slager, Moseley**

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January 11, 2023, read first time and referred to Committee on Public Health.  
February 7, 2023, amended, reported — Do Pass.

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HB 1313—LS 6856/DI 104





February 7, 2023

First Regular Session of the 123rd General Assembly (2023)

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 2022 Regular Session of the General Assembly.

## HOUSE BILL No. 1313

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 12-7-2-32.5, AS ADDED BY P.L.132-2021,  
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 UPON PASSAGE]: Sec. 32.5. "Children's hospital", for purposes of  
4 IC 12-15-15-1.2, has the meaning set forth in IC ~~12-15-15-1.2(b)~~.  
5 **IC 12-15-15-1.2(a).**
- 6 SECTION 2. IC 12-15-15-1.2, AS AMENDED BY P.L.142-2022,  
7 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
8 UPON PASSAGE]: Sec. 1.2. (a) ~~This section applies only to state fiscal~~  
9 ~~years beginning after June 30, 2021, and ending before July 1, 2023.~~  
10 (b) (a) As used in this section, "children's hospital" means:  
11 (1) a freestanding general acute care hospital that:  
12 (A) is designated by the Medicare program as a children's  
13 hospital; or  
14 (B) furnishes inpatient and outpatient health care services to  
15 patients who are predominantly individuals less than nineteen  
16 (19) years of age; or  
17 (2) a facility located within a freestanding general acute care

HB 1313—LS 6856/DI 104



- 1 hospital that:
- 2 (A) is designated by the Medicare program as a children's
- 3 hospital; or
- 4 (B) furnishes inpatient and outpatient health care services to
- 5 patients who are predominately individuals less than nineteen
- 6 (19) years of age.
- 7 ~~(c)~~ (b) This section applies to reimbursement for inpatient Medicaid
- 8 services and outpatient Medicaid services provided to a Medicaid
- 9 recipient who is less than nineteen (19) years of age at a children's
- 10 hospital that is located in a state bordering Indiana. This section does
- 11 not apply to reimbursement for non-emergency medical transportation.
- 12 ~~(d)~~ (c) As used in this subsection, "cost outlier case" means a
- 13 Medicaid stay that exceeds a predetermined threshold, defined as the
- 14 greater of twice the diagnosis-related group (DRG) rate or a fixed
- 15 dollar amount that has been established by the office. ~~Subject to~~
- 16 ~~subsection (a)~~; The office shall reimburse a children's hospital for
- 17 covered services provided to a Medicaid recipient that is described in
- 18 subsection ~~(c)~~ (b) at a rate set by the secretary that is based on a
- 19 reimbursement formula that is:
- 20 (1) comparable to the current federal Medicare reimbursement
- 21 rate for the service provided by the children's hospital; or
- 22 (2) one hundred thirty percent (130%) of the Medicaid
- 23 reimbursement rate for a service that does not have a Medicare
- 24 reimbursement rate.
- 25 The reimbursement methodology under this subsection must factor in
- 26 any cost outlier case in a manner that results in the final reimbursement
- 27 rate made to a hospital meeting the reimbursement requirements
- 28 specified in this subsection. The office may, upon factoring in the cost
- 29 outlier case in determining the final reimbursement rate, make
- 30 retroactive reimbursements to an out of state children's hospital to the
- 31 date of the initial Medicaid waiver application.
- 32 ~~(e)~~ (d) Before September 1, 2021, the office shall apply to the
- 33 United States Department of Health and Human Services for any state
- 34 plan amendment or Medicaid waiver necessary to implement and
- 35 administer this section. Before June 1, 2022, the office shall apply for
- 36 an amendment to the Medicaid waiver concerning reimbursement
- 37 under this section that is necessary to implement the changes required
- 38 by amendments made to this section concerning factoring in any cost
- 39 outlier case.
- 40 ~~(f)~~ (e) The office may adopt rules under IC 4-22-2 necessary for the
- 41 implementation of this section.
- 42 ~~(g)~~ (f) This section expires July 1, ~~2023~~. **2025.**



1           **SECTION 3. An emergency is declared for this act.**



COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Health, to which was referred House Bill 1313, 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 2, line 42, after "(g)" insert "(f)".

Page 2, line 42, reset in roman "This section expires July 1,".

Page 2, line 42, after "2023." insert "**2025.**".

and when so amended that said bill do pass.

(Reference is to HB 1313 as introduced.)

BARRETT

Committee Vote: yeas 13, nays 0.

