



February 23, 2024

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# ENGROSSED HOUSE BILL No. 1359

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DIGEST OF HB 1359 (Updated February 21, 2024 1:02 pm - DI 154)

**Citations Affected:** IC 27-1.

**Synopsis:** Health provider contracts. Provides that if a party to a health provider contract intends to terminate the contractual relationship with another party to the health provider contract, the terminating party must provide written notice to the other party of the decision to terminate the contractual relationship not less than 90 days before the health provider contract terminates.

**Effective:** July 1, 2024.

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**Carbaugh, Lehman, Smaltz,  
Fleming**

(SENATE SPONSORS — JOHNSON T, BUSCH, WALKER K)

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January 10, 2024, read first time and referred to Committee on Insurance.  
January 25, 2024, amended, reported — Do Pass.  
January 29, 2024, read second time, ordered engrossed. Engrossed.  
January 30, 2024, read third time, passed. Yeas 92, nays 0.

SENATE ACTION

February 12, 2024, read first time and referred to Committee on Insurance and Financial Institutions.  
February 22, 2024, amended, reported favorably — Do Pass.

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EH 1359—LS 6982/DI 92





February 23, 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.

## ENGROSSED HOUSE BILL No. 1359

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

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

1 SECTION 1. IC 27-1-37-9 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2024]: **Sec. 9. (a) This section applies to health provider contracts**  
4 **entered into or renewed after June 30, 2024.**

5 **(b) If a party to a health provider contract intends to terminate**  
6 **the contractual relationship with another party to the health**  
7 **provider contract, the terminating party must provide written**  
8 **notice to the other party of the decision to terminate the**  
9 **contractual relationship not less than ninety (90) days before the**  
10 **health provider contract terminates.**

11 SECTION 2. IC 27-1-37.1-0.5 IS ADDED TO THE INDIANA  
12 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
13 [EFFECTIVE JULY 1, 2024]: **Sec. 0.5. This chapter does not apply**  
14 **to the termination of a health provider contract under**  
15 **IC 27-1-37-9.**

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## COMMITTEE REPORT

Mr. Speaker: Your Committee on Insurance, to which was referred House Bill 1359, 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, line 5, delete "If" and insert "**Except as provided in subsection (d), if**".

Page 1, between lines 15 and 16, begin a new paragraph and insert:

**"(d) A party to a health provider contract may terminate a contract after the September 1 deadline set forth in subsection (b) for any of the following reasons:**

**(1) Breach of agreement.**

**(2) Investigations or disciplinary actions related to fraud, waste, or abuse.**

**(3) Changes to billing and reimbursement that have not been negotiated by both parties.**

**(4) Violations of state or federal laws or regulations."**

and when so amended that said bill do pass.

(Reference is to HB 1359 as introduced.)

CARBAUGH

Committee Vote: yeas 11, nays 0.

## COMMITTEE REPORT

Madam President: The Senate Committee on Insurance and Financial Institutions, to which was referred House Bill No. 1359, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 1, delete lines 1 through 17, begin a new paragraph and insert:

"SECTION 1. IC 27-1-37-9 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: **Sec. 9. (a) This section applies to health provider contracts entered into or renewed after June 30, 2024.**

**(b) If a party to a health provider contract intends to terminate the contractual relationship with another party to the health provider contract, the terminating party must provide written**

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**notice to the other party of the decision to terminate the contractual relationship not less than ninety (90) days before the health provider contract terminates."**

Page 2, delete lines 1 through 7.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1359 as printed January 25, 2024.)

BALDWIN, Chairperson

Committee Vote: Yeas 7, Nays 1.

