

HOUSE BILL No. 1384

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-10-8; IC 33-40.

Synopsis: Public defender benefits. Allows an attorney who: (1) performs court appointed legal services on a full-time or full-time equivalent basis; and (2) is not employed by the state or a local unit; to join the state employee health plan. Establishes eligibility, enrollment, and coverage requirements. Provides that the cost of coverage shall be shared between the Indiana commission on court appointed attorneys and the eligible attorney. Makes conforming changes.

Effective: July 1, 2025.

**Bascom, Zimmerman, Steuerwald,
Gore**

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



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. 1384

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.

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

1 SECTION 1. IC 5-10-8-1, AS AMENDED BY P.L.108-2019,
2 SECTION 83, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2025]: Sec. 1. The following definitions apply in this chapter:
4 (1) "Employee" means:
5 (A) an elected or appointed officer or official, or a full-time
6 employee;
7 (B) if the individual is employed by a school corporation, a
8 full-time or part-time employee;
9 (C) for a local unit public employer, a full-time or part-time
10 employee or a person who provides personal services to the
11 unit under contract during the contract period; or
12 (D) a senior judge appointed under IC 33-24-3-7;
13 whose services have continued without interruption at least thirty
14 (30) days.
15 (2) "Group insurance" means any of the kinds of insurance
16 fulfilling the definitions and requirements of group insurance
17 contained in IC 27-1.



- 1 (3) "INPRS" refers to the Indiana public retirement system
2 established by IC 5-10.5-2-1.
- 3 (4) "Insurance" means insurance upon or in relation to human life
4 in all its forms, including life insurance, health insurance,
5 disability insurance, accident insurance, hospitalization insurance,
6 surgery insurance, medical insurance, and supplemental medical
7 insurance.
- 8 (5) "Local unit" includes a city, town, county, township, public
9 library, municipal corporation (as defined in IC 5-10-9-1), school
10 corporation, or charter school.
- 11 (6) "New traditional plan" means a self-insurance program
12 established under section 7(b) of this chapter to provide health
13 care coverage.
- 14 (7) "Public employer" means the state or a local unit, including
15 any board, commission, department, division, authority,
16 institution, establishment, facility, or governmental unit under the
17 supervision of either, having a payroll in relation to persons it
18 immediately employs, even if it is not a separate taxing unit. With
19 respect to the legislative branch of government, "public employer"
20 or "employer" refers to the following:
- 21 (A) The president pro tempore of the senate, with respect to
22 former members or employees of the senate.
- 23 (B) The speaker of the house, with respect to former members
24 or employees of the house of representatives.
- 25 (C) The legislative council, with respect to former employees
26 of the legislative services agency.
- 27 (8) "Public employer" does not include a state educational
28 institution.
- 29 (9) "Retired employee" means:
- 30 (A) in the case of a public employer that participates in the
31 public employees' retirement fund, a former employee who
32 qualifies for a benefit under IC 5-10.3-8 or IC 5-10.2-4;
- 33 (B) in the case of a public employer that participates in the
34 teachers' retirement fund under IC 5-10.4, a former employee
35 who qualifies for a benefit under IC 5-10.4-5; and
- 36 (C) in the case of any other public employer, a former
37 employee who meets the requirements established by the
38 public employer for participation in a group insurance plan for
39 retired employees.
- 40 (10) "Retirement date" means the date that the employee has
41 chosen to receive retirement benefits from the employees'
42 retirement fund.



1 **(11) "State employee" includes an attorney who is provided**
 2 **benefits under section 27 of this chapter.**

3 SECTION 2. IC 5-10-8-3.1, AS AMENDED BY P.L.2-2006,
 4 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 5 JULY 1, 2025]: Sec. 3.1. (a) **Except as provided in section 27 of this**
 6 **chapter**, a public employer that contracts for a group insurance plan or
 7 establishes a self-insurance plan for its employees may withhold or
 8 cause to be withheld from participating employees' salaries or wages
 9 whatever part of the cost of the plan the employees are required to pay.
 10 The chief fiscal officer responsible for issuing paychecks or warrants
 11 to the employees shall make deductions from the individual employees'
 12 paychecks or warrants to pay the premiums for the insurance. Except
 13 as provided by section 7(d) of this chapter, the fiscal officer shall
 14 require written authorization from state employees, and may require
 15 written authorization from local employees, to make the deductions.
 16 One (1) authorization signed by an employee is sufficient authorization
 17 for the fiscal officer to continue to make deductions for this purpose
 18 until revoked in writing by the employee.

19 (b) A public employer that contracts for a group insurance plan or
 20 establishes a self-insurance plan for its retired employees may require
 21 that the retired employees pay any part of the cost of the plan that is not
 22 paid by the public employer. A retired employee may assign part or all
 23 of the retired employee's benefit payable under IC 5-10.3-8,
 24 IC 5-10.4-5, or any other retirement program for this required payment.

25 SECTION 3. IC 5-10-8-7, AS AMENDED BY P.L.119-2022,
 26 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 27 JULY 1, 2025]: Sec. 7. (a) The state, excluding state educational
 28 institutions, may not purchase or maintain a policy of group insurance,
 29 except:

- 30 (1) life insurance for the state's employees;
 31 (2) long term care insurance under a long term care insurance
 32 policy (as defined in IC 27-8-12-5), for the state's employees; or
 33 (3) an insurance policy that provides coverage that supplements
 34 coverage provided under a United States military health care plan.

35 (b) With the consent of the governor, the state personnel department
 36 may establish self-insurance programs to provide group insurance other
 37 than life or long term care insurance for state employees and retired
 38 state employees. The state personnel department may contract with a
 39 private agency, business firm, limited liability company, or corporation
 40 for administrative services. A commission may not be paid for the
 41 placement of the contract. The department may require, as part of a
 42 contract for administrative services, that the provider of the



1 administrative services offer to an employee terminating state
 2 employment the option to purchase, without evidence of insurability,
 3 an individual policy of insurance.

4 (c) Notwithstanding subsection (a), with the consent of the
 5 governor, the state personnel department may contract for health
 6 services for state employees through one (1) or more prepaid health
 7 care delivery plans.

8 (d) The state personnel department shall adopt rules under IC 4-22-2
 9 to establish long term and short term disability plans for state
 10 employees (except employees who hold elected offices (as defined by
 11 IC 3-5-2-17)). The plans adopted under this subsection may include
 12 any provisions the department considers necessary and proper and
 13 must:

14 (1) require participation in the plan by employees with six (6)
 15 months of continuous, full-time service;

16 (2) require an employee to make a contribution to the plan in the
 17 form of a payroll deduction (**except as provided in section 27 of**
 18 **this chapter**);

19 (3) require that an employee's benefits under the short term
 20 disability plan be subject to a thirty (30) day elimination period
 21 and that benefits under the long term plan be subject to a six (6)
 22 month elimination period;

23 (4) prohibit the termination of an employee who is eligible for
 24 benefits under the plan;

25 (5) except as provided in section 25 of this chapter, provide, after
 26 a seven (7) day elimination period, eighty percent (80%) of base
 27 biweekly wages for an employee disabled by injuries resulting
 28 from tortious acts, as distinguished from passive negligence, that
 29 occur within the employee's scope of state employment;

30 (6) provide that an employee's benefits under the plan may be
 31 reduced, dollar for dollar, if the employee derives income from:

32 (A) Social Security;

33 (B) the public employees' retirement fund;

34 (C) the Indiana state teachers' retirement fund;

35 (D) pension disability;

36 (E) worker's compensation;

37 (F) benefits provided from another employer's group plan; or

38 (G) remuneration for employment entered into after the
 39 disability was incurred.

40 (The department of state revenue and the department of workforce
 41 development shall cooperate with the state personnel department
 42 to confirm that an employee has disclosed complete and accurate



- 1 information necessary to administer this subdivision.);
 2 (7) provide that an employee will not receive benefits under the
 3 plan for a disability resulting from causes specified in the rules;
 4 and
 5 (8) provide that, if an employee refuses to:
 6 (A) accept work assignments appropriate to the employee's
 7 medical condition;
 8 (B) submit information necessary for claim administration; or
 9 (C) submit to examinations by designated physicians;
 10 the employee forfeits benefits under the plan.
 11 (e) This section does not affect insurance for retirees under
 12 IC 5-10.3 or IC 5-10.4.
 13 (f) The state may pay part of the cost of self-insurance or prepaid
 14 health care delivery plans for its employees.
 15 (g) A state agency may not provide any insurance benefits to its
 16 employees that are not generally available to other state employees,
 17 unless specifically authorized by law.
 18 (h) The state may pay a part of the cost of group medical and life
 19 coverage for its employees.
 20 (i) To carry out the purposes of this section, a trust fund may be
 21 established. The trust fund established under this subsection is
 22 considered a trust fund for purposes of IC 4-9.1-1-7. Money may not be
 23 transferred, assigned, or otherwise removed from the trust fund
 24 established under this subsection by the state board of finance, the
 25 budget agency, or any other state agency. Money in a trust fund
 26 established under this subsection does not revert to the state general
 27 fund at the end of any state fiscal year. The trust fund established under
 28 this subsection consists of appropriations, revenues, or transfers to the
 29 trust fund under IC 4-12-1. Contributions to the trust fund are
 30 irrevocable. The trust fund must be limited to providing prefunding of
 31 annual required contributions and to cover OPEB liability for covered
 32 individuals. Funds may be used only for these purposes and not to
 33 increase benefits or reduce premiums. The trust fund shall be
 34 established to comply with and be administered in a manner that
 35 satisfies the Internal Revenue Code requirements concerning a trust
 36 fund for prefunding annual required contributions and for covering
 37 OPEB liability for covered individuals. All assets in the trust fund
 38 established under this subsection:
 39 (1) are dedicated exclusively to providing benefits to covered
 40 individuals and their beneficiaries according to the terms of the
 41 health plan; and
 42 (2) are exempt from levy, sale, garnishment, attachment, or other



1 legal process.
 2 The trust fund established under this subsection shall be administered
 3 by the state personnel department. The expenses of administering the
 4 trust fund shall be paid from money in the trust fund. Notwithstanding
 5 IC 5-13, the treasurer of state shall invest the money in the trust fund
 6 not currently needed to meet the obligations of the trust fund in the
 7 same manner as money may be invested by the public employees'
 8 retirement fund under IC 5-10.3-5. However, the trustee may not invest
 9 the money in the trust in equity securities. The trustee shall also comply
 10 with the prudent investor rule set forth in IC 30-4-3.5. The trustee may
 11 contract with investment management professionals, investment
 12 advisors, and legal counsel to assist in the investment of the trust and
 13 may pay the state expenses incurred under those contracts from the
 14 trust. Interest that accrues from these investments shall be deposited in
 15 the trust fund.

16 (j) Nothing in this section prohibits the state personnel department
 17 from directly contracting with health care providers for health care
 18 services for state employees.

19 SECTION 4. IC 5-10-8-27 IS ADDED TO THE INDIANA CODE
 20 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 21 1, 2025]: **Sec. 27. (a) As used in this section, "state employee health
 22 plan" means a:**

23 **(1) self-insurance program established under section 7(b) of
 24 this chapter; or**

25 **(2) contract with a prepaid health care delivery plan entered
 26 into under section 7(c) of this chapter;**

27 **to provide group health coverage for state employees.**

28 **(b) Subject to subsection (c), the state personnel department
 29 shall allow an attorney included on the list produced under
 30 IC 33-40-5-4(a)(7) to elect to participate in any state employee
 31 health plan.**

32 **(c) The state personnel department shall provide an enrollment
 33 period under this section two (2) times per year. An attorney is not
 34 eligible to participate in a state employee health plan if the most
 35 recent version of the list produced under IC 33-40-5-4(a)(7) does
 36 not include the attorney.**

37 **(d) The coverage provided to an attorney under this section
 38 must be the same as the coverage provided to an active or retired
 39 state employee under the state employee health plan.**

40 **(e) The cost of coverage under this section shall be divided
 41 between the participant and the Indiana commission on court
 42 appointed attorneys. Payments shall be made by lump sum as**



1 follows:

2 (1) One (1) lump sum due at the end of the first annual
3 enrollment period.

4 (2) One (1) lump sum due at the end of the second annual
5 enrollment period.

6 (f) The Indiana commission on court appointed attorneys shall
7 pay all administrative costs under this section and may do so on an
8 ongoing basis.

9 (g) The state personnel department may adopt rules under
10 IC 4-22-2 to implement this section.

11 SECTION 5. IC 33-40-5-4, AS AMENDED BY P.L.111-2024,
12 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
13 JULY 1, 2025]: Sec. 4. (a) The commission shall do the following:

14 (1) Make recommendations to the supreme court concerning
15 standards for indigent defense services provided for defendants
16 against whom the state has sought the death sentence under
17 IC 35-50-2-9, including the following:

18 (A) Determining indigency and eligibility for legal
19 representation.

20 (B) Selection and qualifications of attorneys to represent
21 indigent defendants at public expense.

22 (C) Determining conflicts of interest.

23 (D) Investigative, clerical, and other support services
24 necessary to provide adequate legal representation.

25 (2) Adopt guidelines and standards for indigent defense services
26 under which the counties will be eligible for reimbursement under
27 IC 33-40-6, including the following:

28 (A) Determining indigency and the eligibility for legal
29 representation.

30 (B) The issuance and enforcement of orders requiring the
31 defendant to pay for the costs of court appointed legal
32 representation under IC 33-40-3.

33 (C) The use and expenditure of funds in the county
34 supplemental public defender services fund established under
35 IC 33-40-3-1.

36 (D) Qualifications of attorneys to represent indigent
37 defendants at public expense.

38 (E) Compensation rates for salaried, contractual, and assigned
39 counsel.

40 (F) Minimum and maximum caseloads of public defender
41 offices and contract attorneys.

42 (G) Requirements concerning the creation and operation of a



- 1 multicounty public defender's office created under an
 2 interlocal agreement as described in IC 33-40-7-3.5.
- 3 (3) Make recommendations concerning the delivery of indigent
 4 defense services in Indiana, including the funding and delivery of
 5 indigent defense services for juveniles.
- 6 (4) Make an annual report to the governor, the general assembly,
 7 and the supreme court on the operation of the public defense fund.
- 8 (5) Make a report not later than December 1, 2029, to the
 9 legislative council and the budget committee concerning the up
 10 to forty percent (40%) reimbursement from the public defense
 11 fund for indigent defense services for misdemeanor cases under
 12 IC 33-40-6-4(d), IC 33-40-6-5(c), and IC 33-40-7-11(d).
- 13 **(6) Establish when an attorney performs court appointed legal
 14 services on a full-time or full-time equivalent basis.**
- 15 **(7) Certify to the state personnel department on January 1
 16 and June 1 of each year a list of attorneys who:**
- 17 **(A) perform court appointed legal services on a full-time or
 18 full-time equivalent basis; and**
- 19 **(B) are not employed by the state or a local unit.**
- 20 **(8) Pay any amounts owed by the commission under
 21 IC 5-10-8-27.**
- 22 (b) The commission must provide data and statistics concerning
 23 how the reimbursement has impacted attorney appointment rates, jail
 24 population, trial rates, and case outcomes in the report under subsection
 25 (a)(5).
- 26 (c) The report to the general assembly under subsection (a)(4) and
 27 to the legislative council under subsection (a)(5) must be in an
 28 electronic format under IC 5-14-6.
- 29 (d) The commission shall not:
- 30 (1) receive any additional appropriations from the general
 31 assembly for misdemeanor reimbursement; or
- 32 (2) reimburse a county other than a county described in
 33 IC 33-40-6-4(d) for misdemeanor reimbursement;
 34 before July 1, 2029.
- 35 SECTION 6. IC 33-40-6-1, AS AMENDED BY P.L.111-2024,
 36 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 37 JULY 1, 2025]: Sec. 1. The public defense fund is established to
 38 receive court costs or other revenues for county reimbursement and
 39 administrative expenses. The fund shall be administered by the Indiana
 40 commission on court appointed attorneys (established by
 41 IC 33-40-5-2). Money in the fund may be used to pay the expenses
 42 incurred by the justice reinvestment advisory council under



1 IC 33-38-9.5-2.2 and amounts owed by the commission under
2 IC 5-10-8-27.

