

# HOUSE BILL No. 1472

---

## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 5-35.

**Synopsis:** Hospital and health care cost and quality controls. Provides for implementation of a health care improvement and cost control strategy in Indiana that requires equalization of hospital reimbursement rates for all payers by July 1, 2025, and a total cost of care model of health care improvement and cost control for all health care providers by July 1, 2030. Conditions implementation of the strategy upon approval of the strategy by federal Medicare and Medicaid agencies.

**Effective:** Upon passage.

---

---

## Pierce M

---

---

January 17, 2023, read first time and referred to Committee on Public Health.

---

---



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. 1472

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

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

1 SECTION 1. IC 5-35 IS ADDED TO THE INDIANA CODE AS A  
2 **NEW** ARTICLE TO READ AS FOLLOWS [EFFECTIVE UPON  
3 PASSAGE]:  
4 **ARTICLE 35. HEALTH CARE IMPROVEMENT AND COST**  
5 **CONTROL STRATEGY**  
6 **Chapter 1. Definitions**  
7 **Sec. 1. The definitions in this chapter apply throughout this**  
8 **article.**  
9 **Sec. 2. "Equalized all-payer reimbursement model" refers to a**  
10 **system of reimbursement rates for hospital services or all health**  
11 **care services that:**  
12 **(1) are the same for all patients who receive the same service**  
13 **or treatment from the same hospital or health care provider,**  
14 **regardless of whether an insured or uninsured individual, a**  
15 **private health insurance plan, an employer self-insured plan,**  
16 **Medicaid or Medicare (under an approved waiver from the**  
17 **federal government), or another third party payer pays for**



1 the services; and

2 (2) is conducted under an agreement and waivers with the  
3 Center for Medicare and Medicaid Innovation and any other  
4 federal entity with jurisdiction over Medicaid and Medicare.

5 Sec. 3. "Flexible hospital all-payer global budget system" means  
6 a system of payment of a prospectively determined amount for all  
7 inpatient and outpatient hospital services provided to a patient  
8 population in a given year, as adjusted for variable costs related to  
9 changes in patient volume and other design elements that facilitate  
10 costs savings and improved health goals.

11 Sec. 4. "Governing body" refers to the health services cost  
12 review commission established by IC 5-35-5-1.

13 Sec. 5. "Health care provider" has the meaning set forth in  
14 IC 16-18-2-163(b).

15 Sec. 6. "Health care services" means any care, treatment,  
16 service, supplies, or procedure to maintain, diagnose, or treat an  
17 individual's physical or mental condition (including preventive,  
18 therapeutic, rehabilitative, maintenance, or palliative care, and  
19 counseling) provided on an inpatient or outpatient basis by or  
20 through a health care provider.

21 Sec. 7. "Hospital" refers to a hospital licensed under IC 16-21.

22 Sec. 8. "Hospital service" means any care, treatment, service,  
23 supplies, or procedure to maintain, diagnose, or treat an  
24 individual's physical or mental condition (including preventive,  
25 therapeutic, rehabilitative, maintenance, or palliative care and  
26 counseling) provided on an inpatient or outpatient basis by or  
27 through a hospital facility.

28 Sec. 9. "Lead agency" refers to the following:

29 (1) The department of insurance.

30 (2) The family and social services administration consisting of  
31 the divisions and offices coordinated by the secretary of  
32 family and social services.

33 (3) The Indiana department of health.

34 Sec. 10. "Third party payer" means an entity that is, by statute,  
35 contract, or agreement, legally responsible for payment of a claim  
36 for a health care item or service.

37 Sec. 11. "Total cost of care model" refers to a statewide  
38 integrated health care improvement and cost control strategy,  
39 including an equalized all-payer reimbursement model, for  
40 hospitals or all health care providers that is conducted under an  
41 agreement and waivers with the Center for Medicare and Medicaid  
42 Innovation and any other federal entity with jurisdiction over



1 Medicaid and Medicare.

2 Chapter 2. Health Care Outcome and Cost Reduction  
3 Responsibilities

4 Sec. 1. (a) Subject to section 5 of this chapter, the lead agencies  
5 and the governing body shall jointly develop a plan to do the  
6 following:

7 (1) Improve the quality of health care services.

8 (2) Improve the overall health of Indiana's population.

9 (3) Reduce and contain total annual per capita hospital  
10 service costs and at least after July 1, 2030, all health care  
11 service costs.

12 (b) For the purposes described in subsection (a), not later than:

13 (1) July 1, 2025, the lead agencies and the governing body  
14 shall take the actions necessary or appropriate to implement  
15 in Indiana a system of reimbursement rates for hospital  
16 services that are the same for all patients who receive the  
17 same service or treatment from the same health care  
18 provider, regardless of whether an insured or uninsured  
19 individual, a private health insurance plan, an employer  
20 self-insured plan, Medicaid or Medicare (under an approved  
21 waiver from the federal government), or another third party  
22 payer pays for the hospital services;

23 (2) July 1, 2026, the lead agencies and the governing body  
24 shall implement a flexible hospital all-payer global budget  
25 system for hospital services where beneficial to maintain  
26 quality and control overall costs; and

27 (3) July 1, 2030, the lead agencies and the governing body  
28 shall take the actions necessary or appropriate to expand the  
29 equalized all-payer reimbursement model and the flexible  
30 hospital all-payer global budget system for hospitals to all  
31 health care providers and implement in Indiana a  
32 patient-centered total cost of care model of reimbursement  
33 rates and standards for all health care providers.

34 Sec. 2. The equalized all-payer reimbursement model must be  
35 designed to do the following:

36 (1) Benefit the health outcomes, health care access, and  
37 quality of health care of the populations served by a health  
38 care provider.

39 (2) Encourage cost efficiency of services, resources, and  
40 equipment.

41 (3) Provide solvency for all efficient and effective health care  
42 providers.



1           **(4) Eliminate cost shifting of health care services reimbursed**  
2           **by governmental third party payers to insurance plans and**  
3           **other nongovernmental third party payers.**

4           **Sec. 3. (a) The flexible hospital all-payer global budget system**  
5           **must facilitate the following:**

6           **(1) Investments in community-based initiatives that**  
7           **emphasize care coordination, expanded access to and**  
8           **follow-up by primary care providers, and early intervention**  
9           **for chronically ill patients.**

10          **(2) Investments in resources that address social determinants**  
11          **of health and social supports, such as improved access to**  
12          **housing and food, if the hospital believes the investments will**  
13          **serve both the hospital's social mission and financial**  
14          **objectives.**

15          **(3) Guarantee a predictable revenue flow for the hospital and**  
16          **flexibility to allocate resources efficiently under the budget**  
17          **constraint.**

18          **(4) Are supportive of other budget-based efforts at cost**  
19          **reduction and health improvement.**

20          **(b) The implemented flexible hospital all-payer global budget**  
21          **system shall provide that patients remain free to choose their**  
22          **hospital and hospital system rather than be assigned to a particular**  
23          **hospital or hospital system.**

24          **Sec. 4. The total cost of care model must be designed to do the**  
25          **following:**

26          **(1) Set a range of quality, care transformation, and population**  
27          **health goals as part of a statewide integrated health**  
28          **improvement strategy and incentivize health care providers**  
29          **to improve how they coordinate care for patients and address**  
30          **societal health problems such as diabetes, heart disease, and**  
31          **addiction.**

32          **(2) Provide that care will be coordinated across both hospital**  
33          **and nonhospital settings, including mental health and long**  
34          **term care.**

35          **(3) Invest resources in patient-centered care teams and**  
36          **primary care enhancements.**

37          **(4) Set a range of quality and care improvement goals that**  
38          **when achieved by health care providers results in higher**  
39          **health care provider payments for better patient outcomes.**

40          **(5) Implement sufficient flexibility to facilitate programs**  
41          **centered on the unique needs of Indiana residents, the health**  
42          **care provider community, geographic settings, and other key**



1 demographics.

2 (6) Reduce overall health care costs to governmental third  
3 party payers as well as individuals and nongovernmental  
4 third party payers.

5 Sec. 5. Subject to section 6 of this chapter, the lead agencies and  
6 the governing body are encouraged to implement the equalized  
7 all-payer reimbursement model and the total cost of care model for  
8 health care services more quickly than the deadlines set in section  
9 1 of this chapter.

10 Sec. 6. The lead agencies and the governing body may  
11 implement the equalized all-payer reimbursement model and the  
12 total cost of care model for health care services only if the federal  
13 Center for Medicare and Medicaid Innovation and all other  
14 essential federal agencies approve waivers and enter into  
15 agreements to permits equalization of health care services  
16 reimbursement by individuals (regardless of insurance status) and  
17 governmental and nongovernmental third party payers.

18 Chapter 3. Interim Target Dates for Phased-In Implementation  
19 of Quality Care and Cost Reduction Programs

20 Sec. 1. To meet the implementation dates set out in IC 5-35-2-1,  
21 after May 1, 2023, and before September 1, 2023, the lead agencies  
22 and the governing body shall do at least the following:

23 (1) Review the experience of Maryland with an equalized  
24 all-payer reimbursement model, a flexible hospital all-payer  
25 global budget system, and a total cost of care model for health  
26 care services, including the challenges faced by Maryland that  
27 must be addressed by Indiana.

28 (2) Identify changes that are necessary or appropriate to be  
29 made in Indiana laws, rules, agreements, and state plans to  
30 implement an equalized all-payer reimbursement model and  
31 a flexible hospital all-payer global budget system for  
32 hospitals.

33 (3) Submit necessary waiver and state plan amendment  
34 requests to the appropriate federal agencies to implement at  
35 least an equalized all-payer reimbursement model for  
36 hospitals.

37 (4) Initiate negotiated policy making with hospitals, insurers,  
38 and related associations to implement a pilot equalized  
39 all-payer reimbursement model program for hospitals and if  
40 the governing body determines appropriate a flexible hospital  
41 all-payer global budget system.

42 (5) Develop a plan and schedule for implementing an



1 equalized all-payer reimbursement model, a flexible all-payer  
 2 global budget system, and a total cost of care model for some  
 3 or all health care services.

4 **Sec. 2. Subject to granting of waivers and state plan changes by**  
 5 **federal agencies, to meet the implementation dates set out in**  
 6 **IC 5-35-2-1, after August 31, 2023, and before July 1, 2025, the**  
 7 **lead agencies and the governing body shall do at least the**  
 8 **following:**

9 (1) Complete necessary waiver and state plan amendment  
 10 requests to the appropriate federal agencies to implement an  
 11 equalized all-payer reimbursement model for hospitals and if  
 12 the governing body determines appropriate a flexible hospital  
 13 all-payer global budget system.

14 (2) Enter into agreements and implement a pilot equalized  
 15 all-payer reimbursement model program for hospitals.

16 (3) Evaluate the experience with the pilot program initiated  
 17 under subdivision (2) and identify any additional changes in  
 18 law, rules, or agreements needed to address issues discovered  
 19 in the pilot programs.

20 (4) Engage in additional negotiated policy making to initiate  
 21 full implementation of the equalized all-payer reimbursement  
 22 model program for hospitals and either pilot programs or full  
 23 implementation of a flexible hospital all-payer global budget  
 24 system.

25 (5) Fully implement an equalized all-payer reimbursement  
 26 model program for hospitals.

27 **Sec. 3. Subject to granting of waivers and state plan changes by**  
 28 **federal agencies, to meet the implementation dates set out in**  
 29 **IC 5-35-2-1, after August 31, 2023, and before July 1, 2026, the**  
 30 **lead agencies and the governing body shall do at least the**  
 31 **following:**

32 (1) Complete necessary waiver and state plan amendment  
 33 requests to the appropriate federal agencies to implement a  
 34 flexible hospital all-payer global budget system for hospitals.

35 (2) Enter into agreements and implement a pilot flexible  
 36 hospital all-payer global budget system for hospitals.

37 (3) Evaluate the experience with the pilot program initiated  
 38 under subdivision (2) and identify any additional changes in  
 39 law, rules, or agreements needed to address issues discovered  
 40 in the pilot program.

41 (4) Engage in additional negotiated policy making to initiate  
 42 full implementation of a flexible hospital all-payer global



1           **budget system for hospitals.**

2           **(5) Fully implement a flexible hospital all-payer global budget**  
 3           **system for hospitals.**

4           **Sec. 4. Subject to granting of waivers and state plan changes by**  
 5           **federal agencies, to meet the implementation dates set out in**  
 6           **IC 5-35-2-1, after August 31, 2023, and before July 1, 2030, the**  
 7           **lead agencies and the governing body shall do at least the**  
 8           **following:**

9           **(1) Complete necessary waiver and state plan amendment**  
 10           **requests to the appropriate federal agencies to implement a**  
 11           **total cost of care model for health care services provided by**  
 12           **health care providers.**

13           **(2) Engage in additional negotiated policy making to initiate**  
 14           **full implementation of a total cost of care model for health**  
 15           **care services provided by health care providers.**

16           **(3) Enter into agreements and implement a pilot total cost of**  
 17           **care model for some or all health care services provided by**  
 18           **health care providers.**

19           **(4) Evaluate the experience with the pilot program initiated**  
 20           **under subdivision (3) and identify any additional changes in**  
 21           **law, rules, or agreements needed to address issues discovered**  
 22           **in the pilot program.**

23           **(5) Fully implement a total cost of care model for health care**  
 24           **services provided by health care providers.**

25           **Chapter 4. Policy Making Procedures; Negotiated Policy**  
 26           **Making**

27           **Sec. 1. (a) The lead agencies and the governing body shall**  
 28           **extensively use negotiated policy making (including rulemaking)**  
 29           **under this article by appointing a committee to comment or make**  
 30           **recommendations on the subject matter of a proposed policy under**  
 31           **active consideration within the lead agency. More than one (1) lead**  
 32           **agency jointly may appoint a committee to address common issues.**

33           **(b) In making appointments to the committee, the lead agencies**  
 34           **and the governing body shall make reasonable efforts to establish**  
 35           **a balance in representation among members of the public and**  
 36           **provider associations known to have an interest in the subject**  
 37           **matter of the policy. Before August 1 of each year, the lead**  
 38           **agencies and the governing body shall publish in the Indiana**  
 39           **Register a list of all committees with their membership.**

40           **(c) Notice of a meeting of a committee must be published in the**  
 41           **Indiana Register at least fifteen (15) days before the meeting. A**  
 42           **meeting of the committee is open to the public.**





1           **Sec. 2.** A committee appointed under section 1 of this chapter,  
 2 in consultation with one (1) or more agency representatives, shall  
 3 attempt to reach a consensus on the terms or substance of a  
 4 proposed policy. The committee shall present the consensus  
 5 recommendation, if any, to the lead agencies and the governing  
 6 body. The lead agencies and the governing body shall consider  
 7 whether to use committee recommendations as the basis for rules  
 8 adopted under IC 4-22-2 and other policies developed by the lead  
 9 agencies and the governing body. The lead agencies and the  
 10 governing body are not required to propose or adopt the  
 11 recommendation.

12           **Sec. 3.** The lead agencies and the governing body may use any  
 13 advisory group or other body established by or under IC 4-23,  
 14 IC 12, IC 16, or IC 27 as a committee under section 1 of this  
 15 chapter, particularly as a policy applies to special population for  
 16 which the advisory group or other body has expertise. The  
 17 advisory group or other body shall give priority to a matter  
 18 referred under this article to the advisory group or other body.

19           **Sec. 4.** The lead agencies and the governing body may solicit  
 20 comments from the public and provider associations on the need  
 21 for a rule or other policy, the drafting of a rule or other policy, or  
 22 any other subject related to a rulemaking or other policy making  
 23 action, including members of the public and provider associations  
 24 that are likely to be affected because they are the subject of the  
 25 potential rulemaking or other policy making action or are likely to  
 26 benefit from the potential rulemaking or other policy making  
 27 action. The procedures that the lead agencies and the governing  
 28 body may use include the holding of conferences and the inviting  
 29 of written suggestions, facts, arguments, or views.

#### 30           **Chapter 5. Governance and Administration**

31           **Sec. 1.** The health services cost review commission is  
 32 established.

33           **Sec. 2.** The governing body consists of the following voting  
 34 members:

- 35           (1) The agency head of each of the lead agencies or the agency  
 36 head's designee for one (1) or more meetings or subcommittee  
 37 meetings, or both, of the governing body.  
 38           (2) One (1) member appointed by the governor who is or is  
 39 employed by a nongovernmental third party payer.  
 40           (3) One (1) member appointed by the governor who is  
 41 employed by a hospital, hospital system, or hospital  
 42 association.



1           **(4) One (1) member appointed by the governor who is**  
 2           **employed by a health care provider other than a hospital,**  
 3           **hospital system, or hospital association.**

4           **(5) One (1) member appointed by the governor who is an**  
 5           **advocate for or experienced in quality care and is not**  
 6           **employed by a health care provider or association for health**  
 7           **care providers.**

8           **Sec. 3. An appointed voting member of the governing body**  
 9           **serves at the pleasure of the governor.**

10          **Sec. 4. The governor shall appoint the chair of the governing**  
 11          **body. The chair serves at the pleasure of the governor.**

12          **Sec. 5. The governing body has the following nonvoting**  
 13          **members:**

14           **(1) One (1) member of the general assembly appointed by the**  
 15           **president pro tempore of the senate.**

16           **(2) One (1) member of the general assembly appointed by the**  
 17           **minority leader of the senate.**

18           **(3) One (1) member of the general assembly appointed by the**  
 19           **speaker of the house of representatives.**

20           **(4) One (1) member of the general assembly appointed by the**  
 21           **minority leader of the house of representatives.**

22          **A nonvoting member serves at the pleasure of the appointing**  
 23          **authority.**

24          **Sec. 6. (a) Each member of the governing body who is not a state**  
 25          **employee is entitled to the minimum salary per diem provided by**  
 26          **IC 4-10-11-2.1(b). The member is also entitled to reimbursement**  
 27          **for traveling expenses under IC 4-13-1-4 and other expenses**  
 28          **actually incurred in connection with the member's duties as**  
 29          **provided in the state policies and procedures established by the**  
 30          **Indiana department of administration and approved by the budget**  
 31          **agency.**

32          **(b) Each member of the governing body who is a state employee**  
 33          **but who is not a member of the general assembly is entitled to**  
 34          **reimbursement for traveling expenses under IC 4-13-1-4 and other**  
 35          **expenses actually incurred in connection with the member's duties**  
 36          **as provided in the state policies and procedures established by the**  
 37          **Indiana department of administration and approved by the budget**  
 38          **agency.**

39          **(c) Each member of the governing body who is a member of the**  
 40          **general assembly is entitled to receive the same per diem, mileage,**  
 41          **and travel allowances paid to members of the general assembly**  
 42          **serving on interim study committees established by the legislative**



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42

- council.**
- Sec. 7. Four (4) voting members of the governing body constitute a quorum for meetings.**
- Sec. 8. The affirmative votes of four (4) voting members of the governing body are required for the governing body to adopt rule and nonrule policies, set rates, set budgets, enter into or authorize agreements, and to take any other final action that impacts hospitals, other health care providers, or patients.**
- Sec. 9. The governing body may do any of the following:**
  - (1) Create subcommittees from among its members.**
  - (2) Appoint advisory committees, which may include individuals and representatives of interested public or private organizations.**
  - (3) Apply for and accept any funds, property, or services from any person or government agency.**
  - (4) Make agreements with a hospital, other health care provider, or grantor or payer of funds, property, or services, including an agreement to make any study, plan, demonstration, or project.**
  - (5) Publish and give out any information that relates to the financial aspects of health care and is considered desirable in the public interest.**
  - (6) Require hospitals and other health care providers to submit the reports required by the governing body to the governing body's executive director on the schedule and in the form specified by the governing body.**
  - (7) Conduct studies, do analysis, and maintain the data necessary or appropriate to carry out this article. Analysis and studies may address any of the following:**
    - (A) Health care costs.**
    - (B) The financial status of any hospital or other health care provider.**
    - (C) Any other appropriate matter as determined by the governing body.**
  - (8) Within a reasonable time after the end of each health care provider's fiscal year or more often as the governing body determines, prepare from the information filed with the governing body any summary, compilation, or other supplementary report that will advance the purposes of this article.**
  - (9) Administer oaths.**
  - (10) Subject to the limitations of this article, exercise any**



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42

other power that is reasonably necessary or appropriate to carry out the purposes of this article.

**Sec. 10. The governing body shall set policy for and administer this article, including the rate review, rate setting, and rate approval and establishment of standards for transparency to the public of hospital and health care provider pricing of health care services.**

**Sec. 11. Before September 1 in each calendar year, the governing body shall submit to the executive director of the legislative services agency in an electronic format under IC 5-14-6 for distribution to:**

- (1) the interim study committee on public health, behavioral health, and human services;**
  - (2) the interim study committee on financial institutions and insurance; and**
  - (3) the interim study committee on fiscal policy;**
- and the governor an annual report on the operations and activities of the governing body during the preceding fiscal year.**

**Sec. 12. The report submitted under section 11 of this chapter must include at least the following:**

- (1) A summary, compilation, or supplementary report prepared under section 9(8) of this chapter and the following information:**
  - (A) Performance in limiting inpatient and outpatient hospital per capita cost growth for all payers.**
  - (B) Annual progress toward achieving the state's financial targets established by the governing body.**
  - (C) A summary of the work conducted and recommendations made, including recommendations made by workgroups created to provide technical input and advice to the governing body.**
  - (D) Actions approved by the governing body to promote alternative methods of rate determination and payment of an experimental nature.**
- (2) A summary of the governing body's role in quality of care activities, including information about the status of any pay for performance initiatives.**
- (3) An update on the status of the state's compliance with agreements with the federal Center for Medicare and Medicaid Innovation and other federal agencies.**
- (4) Information concerning any known adverse consequences in implementing the agreements with the federal Center for**



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42

Medicare and Medicaid Innovation and other federal agencies that may negatively impact quality of or access to care, and the actions taken by the governing body to mitigate the consequences.

(5) Annual progress made in the development of public and private partnerships between hospitals and other entities, including community-based physicians, community-based organizations, and other post-acute care providers, to achieve the population health goals established with the federal Center for Medicare and Medicaid Innovation.

(6) Proposed changes in law needed or appropriate to carry out the purposes of with this article and any other fact, suggestion, or policy recommendation that the governing body considers necessary.

Sec. 13. If the federal Centers for Medicare and Medicaid Services issues a warning notice related to a "triggering event" as described in an agreement with the federal Centers for Medicare and Medicaid Services, the governing body shall provide written notification to the general assembly in an electronic format under IC 5-14-6 and the governor within fifteen (15) days after the issuance of the notice.

Sec. 14. Except for privileged medical information, the governing body shall make:

- (1) each report filed and each summary, compilation, and report required under this article available for public inspection and download from the governing body's website; and
- (2) each summary, compilation, and report available to any state agency upon request.

Sec. 15. After public hearings and consultation with any appropriate advisory committee, the governing body shall adopt, by rule under IC 4-22-2, a uniform accounting and financial reporting system for hospitals (before July 1, 2025) and for all health care providers (after July 1, 2025, and before July 1, 2030) that includes any cost allocation method that the governing body determines and requires each health care provider to record its income, revenues, assets, expenses, outlays, liabilities, and units of service. In conformity with this article, the governing body may allow and provide for modifications in the uniform accounting and financial reporting system to reflect correctly any differences among health care providers in their type, size, financial structure, or scope or type of service.



1           **Sec. 16. In any matter that relates to a health care provider's**  
2 **cost of health care services and consistent with waivers and**  
3 **agreements with federal agencies, the governing body may do the**  
4 **following:**

- 5           **(1) Hold a public hearing.**  
6           **(2) Conduct an investigation.**  
7           **(3) Require the filing of any information.**  
8           **(4) Subpoena any witness or evidence.**

9           **Sec. 17. (a) The governing body may adopt rules under**  
10 **IC 4-22-2 to carry out this article.**

11           **(b) The rules adopted by the governing body under IC 4-22-2**  
12 **may impose penalties for failure to timely file a required report or**  
13 **comply with a rate, order, or rule of the governing body. The**  
14 **amount of a penalty may not be included in the costs of a hospital**  
15 **or health care provider used to regulate its rates.**

16           **(c) Rules and policies adopted by a lead agency must be**  
17 **consistent with the rules adopted by the governing body.**

18           **Sec. 18. The governor shall appoint an executive director to lead**  
19 **staff efforts for the governing body.**

20           **Sec. 19. The governing body may contract with a qualified,**  
21 **independent third party for any service necessary to carry out the**  
22 **powers and duties of the governing body, except the adoption of**  
23 **rules under IC 4-22-2 and the imposition of a penalty. Unless**  
24 **permission is granted specifically by the governing body, a third**  
25 **party hired by the governing body may not release, publish, or**  
26 **otherwise use any information to which the third party has access**  
27 **under its contract.**

28           **Sec. 20. Each lead agency shall provide sufficient staff support**  
29 **to carry out the following:**

- 30           **(1) The unique responsibilities assigned by law to the lead**  
31 **agency, which support and implement the responsibilities of**  
32 **the lead agencies and governing body under this article.**  
33           **(2) The responsibilities of the governing body under this**  
34 **article.**  
35           **(3) Actions otherwise needed or appropriate to carry out this**  
36 **article.**

37 **In addition, the governing body may employ contractual**  
38 **professional services as determined by the governing body to be**  
39 **necessary or appropriate.**

40           **SECTION 2. An emergency is declared for this act.**

