



March 10, 2015

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## ENGROSSED SENATE BILL No. 460

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DIGEST OF SB 460 (Updated March 9, 2015 1:17 pm - DI 77)

**Citations Affected:** IC 16-18; IC 16-28; IC 16-29.

**Synopsis:** Comprehensive care health facilities. Prohibits the state department of health from approving: (1) the licensure of comprehensive care health facilities; (2) new or converted comprehensive care beds; or (3) the certification of new or converted comprehensive care beds for participation in the state Medicaid program; through June 30, 2018. Makes exceptions for certain facilities that are: (1) under development; (2) small house health facilities; (3) replacement facilities; (4) continuing care retirement communities; (5) facilities located in counties whose comprehensive care bed occupancy rate exceeds 90%; and (6) facilities that undergo a change of ownership for certain purposes. Limits small house facilities to 100 new licensed or Medicaid certified comprehensive care beds per year.

**Effective:** June 30, 2015; July 2, 2015.

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### Miller Patricia, Mishler, Stoops

(HOUSE SPONSORS — BROWN T, BROWN C, CLERE)

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January 14, 2015, read first time and referred to Committee on Health & Provider Services.  
January 29, 2015, amended, reported favorably — Do Pass.  
February 2, 2015, read second time, amended, ordered engrossed.  
February 3, 2015, pursuant to Senate Rule 35 (c), technical correction. Engrossed.  
February 3, 2015, read third time, passed. Yeas 35, nays 14.  
February 4, 2015, re-engrossed.

HOUSE ACTION

March 3, 2015, read first time and referred to Committee on Public Health.  
March 9, 2015, amended, reported — Do Pass. Referred to Committee on Ways and Means pursuant to Rule 127.

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ES 460—LS 6983/DI 104





March 10, 2015

First Regular Session 119th General Assembly (2015)

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 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

## ENGROSSED SENATE BILL No. 460

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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 16-18-2-67, AS AMENDED BY P.L.229-2011,  
2 SECTION 155, IS AMENDED TO READ AS FOLLOWS  
3 [EFFECTIVE JULY 2, 2015]: Sec. 67. (a) "**Comprehensive care**  
4 **bed**", for purposes of IC 16-28-2.5, has the meaning set forth in  
5 IC 16-28-2.5-2.

6 (a) "~~Comprehensive care bed~~"; for purposes of IC 16-28-16, has the  
7 meaning set forth in IC 16-28-16-2.

8 (b) "Comprehensive care bed", for purposes of IC 16-29-2, has the  
9 meaning set forth in IC 16-29-2-1.

10 SECTION 2. IC 16-18-2-67.1 IS ADDED TO THE INDIANA  
11 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
12 [EFFECTIVE JULY 2, 2015]: **Sec. 67.1. "Comprehensive care health**  
13 **facility"**, for purposes of IC 16-28-2.5, has the meaning set forth in  
14 IC 16-28-2.5-3.

15 SECTION 3. IC 16-18-2-316.6 IS ADDED TO THE INDIANA  
16 CODE AS A **NEW** SECTION TO READ AS FOLLOWS

ES 460—LS 6983/DI 104



1 [EFFECTIVE JULY 2, 2015]: **Sec. 316.6. "Replacement facility", for**  
 2 **purposes of IC 16-28-2.5, has the meaning set forth in**  
 3 **IC 16-28-2.5-4.**

4 SECTION 4. IC 16-28-2.5 IS ADDED TO THE INDIANA CODE  
 5 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
 6 JULY 2, 2015]:

7 **Chapter 2.5. Licensure and Certification Limitations**

8 **Sec. 1. This chapter does not apply to the conversion of acute**  
 9 **care beds to comprehensive care beds under IC 16-29-3.**

10 **Sec. 2. (a) As used in this chapter, "comprehensive care bed"**  
 11 **means a bed that:**

- 12 (1) is within a comprehensive care health facility licensed  
 13 under IC 16-28-2;  
 14 (2) functions as a bed within a comprehensive care health  
 15 facility licensed under IC 16-28-2; or  
 16 (3) is otherwise subject to this article.

17 (b) The term does not include a comprehensive care bed that  
 18 will be used solely to provide specialized services.

19 **Sec. 3. As used in this chapter, "comprehensive care health**  
 20 **facility" means a health facility that provides:**

- 21 (1) nursing care;  
 22 (2) room;  
 23 (3) food;  
 24 (4) laundry;  
 25 (5) administration of medications;  
 26 (6) special diets; and  
 27 (7) treatments;

28 and that may provide rehabilitative and restorative therapies  
 29 under the order of an attending physician.

30 **Sec. 4. As used in this chapter, "replacement facility" means a**  
 31 **new comprehensive care health facility licensed under or subject**  
 32 **to this article after July 1, 2015, that:**

- 33 (1) is constructed to take the place of an existing  
 34 comprehensive care health facility that is licensed before July  
 35 2, 2015;  
 36 (2) is constructed within the same county as the existing  
 37 comprehensive care health facility licensed before July 2,  
 38 2015; and  
 39 (3) contains no more comprehensive care beds than the  
 40 existing comprehensive care health facility licensed before  
 41 July 2, 2015.

42 **Sec. 5. As used in this chapter, "under development" refers to**



1 a health facility license application:

2 (1) to add, construct, or convert comprehensive care beds in  
3 a comprehensive care health facility that:

4 (A) is licensed under;

5 (B) is to be licensed under;

6 (C) is subject to; or

7 (D) will be subject to;

8 this article; and

9 (2) that meets all the following:

10 (A) Funding to construct the comprehensive care health  
11 facility has been secured and is actively being drawn upon  
12 or otherwise used to further and complete construction.

13 (B) Zoning requirements have been met.

14 (C) Complete construction design plans for the  
15 comprehensive care health facility have been submitted to  
16 the state department and the division of fire and building  
17 safety not later than March 1, 2015. The construction  
18 design plans must be an accurate and true depiction of the  
19 comprehensive care health facility that the applicant  
20 intends to construct. However, the construction design  
21 plans may be modified to make technical changes, correct  
22 errors and omissions, or comply with zoning or other  
23 requirements from a governmental entity.

24 (D) Active and ongoing construction activities progressing  
25 to completion of the project are occurring at the project  
26 site.

27 Sec. 6. (a) Except as provided in subsection (b), the state  
28 department may not approve the following:

29 (1) The licensure of:

30 (A) comprehensive care health facilities; or

31 (B) new or converted comprehensive care beds.

32 (2) The certification of new or converted comprehensive care  
33 beds for participation in the state Medicaid program unless  
34 the statewide comprehensive care bed occupancy rate is more  
35 than ninety-five percent (95%), as calculated annually on  
36 January 1 by the state department.

37 (3) Transfer between any comprehensive care facilities of  
38 licensed comprehensive care beds or comprehensive care bed  
39 certifications for participation in the state Medicaid program.

40 Beds in a health facility that provides residential nursing care  
41 under IC 16-28 may not be converted to comprehensive care beds.

42 (b) This section does not apply to the following:



- 1           **(1) A comprehensive care health facility that:**  
 2               **(A) is licensed under;**  
 3               **(B) is to be licensed under;**  
 4               **(C) is subject to; or**  
 5               **(D) will be subject to;**  
 6           **this article and that is under development as of July 1, 2015.**  
 7           **(2) A small house health facility approved under section 7 of**  
 8           **this chapter.**  
 9           **(3) A replacement facility, whether or not the replacement**  
 10           **facility is under development before July 2, 2015. The existing**  
 11           **comprehensive care health facility that is being replaced by**  
 12           **the replacement facility:**  
 13               **(A) must no longer be licensed as a comprehensive care**  
 14               **health facility sixty (60) days after the replacement facility**  
 15               **obtains its license from the state department; and**  
 16               **(B) may transfer any of the comprehensive care beds to the**  
 17               **replacement facility.**  
 18           **(4) A continuing care retirement community that was**  
 19           **registered under IC 23-2 before July 2, 2015, and that**  
 20           **continuously maintains its registration under IC 23-2. If a**  
 21           **continuing care retirement community fails to maintain**  
 22           **registration under IC 23-2 after July 1, 2015, the**  
 23           **comprehensive care beds, including beds certified for use in**  
 24           **the state Medicaid program or the Medicare program, that**  
 25           **the continuing care retirement community previously**  
 26           **operated are not forfeited as long as the continuing care**  
 27           **retirement community continues to comply with the licensure**  
 28           **and certification requirements of this article.**  
 29           **(5) A comprehensive care health facility or a comprehensive**  
 30           **care bed that is to be added or certified in the state Medicaid**  
 31           **program in a county where the county's comprehensive care**  
 32           **bed occupancy rate exceeds ninety percent (90%), as**  
 33           **calculated by the state department on January 1 and July 1 of**  
 34           **each year. The number of comprehensive care beds allowed**  
 35           **under this subdivision may not exceed either:**  
 36               **(A) the number of beds that would cause the county**  
 37               **occupancy rate to fall below the statewide average; or**  
 38               **(B) seventy (70) comprehensive care beds per applicant.**  
 39           **(6) A comprehensive care health facility that undergoes a**  
 40           **change of ownership for purposes of:**  
 41               **(A) the granting of a license by the state department to**  
 42               **operate the comprehensive care health facility; and**



1           **(B) the maintenance for any of the beds in the**  
 2           **comprehensive care health facility, including Medicaid**  
 3           **certified beds, by the entity granted a license by the state**  
 4           **department.**

5           **However, after the change of ownership, the comprehensive**  
 6           **care health facility is subject to subsection (a) unless the**  
 7           **comprehensive care health facility meets the requirements**  
 8           **under another subdivision under this subsection.**

9           **(c) The state department shall make the final determination**  
 10          **concerning whether an entity has met or is meeting the**  
 11          **requirements of this chapter concerning being under development.**

12          **Sec. 7. (a) A small house health facility that is applying for**  
 13          **licensure under this article, including an entity related to the small**  
 14          **house health facility through common ownership or control, may**  
 15          **apply to the state department for licensure or Medicaid**  
 16          **certification of not more than fifty (50) comprehensive care beds**  
 17          **for small house health facilities per year.**

18          **(b) The state department may not approve licensure or**  
 19          **Medicaid certification of more than one hundred (100) new**  
 20          **comprehensive care beds per year that are designated for small**  
 21          **house health facilities.**

22          **(c) The state department shall approve an application for**  
 23          **licensure or Medicaid certification for a small house health facility:**

- 24           **(1) in the order of the completed application date; and**  
 25           **(2) if the small house health facility applicant meets the**  
 26           **definition of a small house health facility and the**  
 27           **requirements of this section.**

28          **(d) A person that fails to complete construction and begin**  
 29          **operation of a small house health facility within twelve (12) months**  
 30          **after the state department's approval of a license under this article**  
 31          **forfeits the person's right to any licensed or Medicaid certified**  
 32          **comprehensive care bed that was previously approved by the state**  
 33          **department if:**

- 34           **(1) another person has applied to the state department for**  
 35           **approval of licensed or Medicaid certified comprehensive care**  
 36           **beds for a small house health facility; and**  
 37           **(2) the person's application was denied for the sole reason that**  
 38           **the maximum number of Medicaid licensed or certified**  
 39           **comprehensive care beds specified in this section has been**  
 40           **approved by the state department.**

41          **Sec. 8. This chapter expires June 30, 2018.**

42          **SECTION 5. IC 16-29-6-9, AS ADDED BY P.L.229-2011,**



1 SECTION 164, IS AMENDED TO READ AS FOLLOWS  
2 [EFFECTIVE JUNE 30, 2015]: Sec. 9. This chapter expires **at 11:59**  
3 **p.m. July 1, 2016. 2015.**





## COMMITTEE REPORT

Madam President: The Senate Committee on Health and Provider Services, to which was referred Senate Bill No. 460, 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 16.

Page 2, delete lines 1 through 29.

Page 4, line 19, delete "submitted to" and insert "**approved by**".

Page 4, between lines 23 and 24, begin a new line double block indented and insert:

**"(F) A certificate of occupancy has been received by the comprehensive care health facility not later than September 30, 2015."**

Page 5, between lines 35 and 36, begin a new line block indented and insert:

**"(6) A comprehensive care health facility that undergoes a change of ownership for purposes of:**

**(A) the granting of a license by the state department to operate the comprehensive care health facility; and**

**(B) the maintenance for any of the beds in the comprehensive care health facility, including Medicaid certified beds, by the entity granted a license by the state department.**

**However, any other limitation not specified in this subdivision but set forth in this chapter applies to a comprehensive care health facility that undergoes a change of ownership."**

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 460 as introduced.)

MILLER PATRICIA, Chairperson

Committee Vote: Yeas 6, Nays 2.



SENATE MOTION

Madam President: I move that Senate Bill 460 be amended to read as follows:

Page 3, line 16, delete "approved by" and insert "**submitted to**".

Page 3, line 23, delete "September 30, 2015." and insert "**December 31, 2015.**".

Page 5, line 2, delete "any other limitation not specified in this subdivision" and insert "**after the change of ownership, the comprehensive care health facility is subject to subsection (a) unless the comprehensive care health facility meets the requirements under another subdivision under this subsection.**".

Page 5, delete lines 3 through 4.

(Reference is to SB 460 as printed January 30, 2015.)

MILLER PATRICIA

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COMMITTEE REPORT

Madam President: The Senate Committee on rules and Legislative Procedure reports that pursuant to Senate Rule 35(c), the following technical corrections are to be made to SB 460.

Page 2, Line 36, delete "of" and insert "**as**".

Page 5, Line 27, delete "forfeit's" and insert "**forfeits**".

(Reference is to ESB 460 as reprinted February 3, 2015.)

LONG, Chair

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Health, to which was referred Senate Bill 460, 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 3, delete line 10.

Page 3, line 11, delete "(B)" and insert "**(A)**".

Page 3, line 14, delete "(C)" and insert "**(B)**".

ES 460—LS 6983/DI 104



Page 3, delete lines 15 through 17, begin a new line double block indented and insert:

**"(C) Complete construction design plans for the comprehensive care health facility have been submitted to the state department and the division of fire and building safety not later than March 1, 2015. The construction design plans must be an accurate and true depiction of the comprehensive care health facility that the applicant intends to construct. However, the construction design plans may be modified to make technical changes, correct errors and omissions, or comply with zoning or other requirements from a governmental entity."**

Page 3, line 18, delete "(E)" and insert "**(D)**".

Page 3, delete lines 21 through 23.

Page 5, line 23, after "house" insert "**health**".

and when so amended that said bill do pass.

(Reference is to SB 460 as printed February 4, 2015.)

CLERE

Committee Vote: yeas 8, nays 2.

