

# SENATE BILL No. 471

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** Noncode.

**Synopsis:** Medicaid study. Requires the office of the secretary of family and social services and the legislative services agency to conduct a feasibility study of transitioning Indiana's Medicaid program administration to a nonprofit health insurance entity. Sets forth parameters of the study.

**Effective:** Upon passage.

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January 13, 2025, read first time and referred to Committee on Health and Provider Services.

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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.

# SENATE BILL No. 471

A BILL FOR AN ACT concerning Medicaid.

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

- 1 SECTION 1. [EFFECTIVE UPON PASSAGE] (a) **As used in this**
- 2 **SECTION, "office" refers to the office of the secretary of family**
- 3 **and social services established by IC 12-8-1.5-1.**
- 4 (b) **During the 2025 interim, the office and the legislative**
- 5 **services agency shall study the feasibility of the following for**
- 6 **implementation by Medicaid before state fiscal year 2029:**
- 7 (1) **Creating a state or quasi-state nonprofit health insurance**
- 8 **entity to administer and manage the health care and**
- 9 **pharmaceutical needs of the entire Indiana Medicaid**
- 10 **population within all Medicaid programs and waivers. The**
- 11 **entity must meet the following:**
- 12 (A) **Operate without any net profit and operational**
- 13 **reserves not to exceed twenty percent (20%) of the annual**
- 14 **operating budget.**
- 15 (B) **Provide limited executive and employee pay that does**
- 16 **not exceed one million dollars (\$1,000,000).**
- 17 (C) **Operate through a state appointed board.**
- 18 (2) **Expanding the current Indiana nonprofit health insurance**



1 market to existing nonprofit health insurance entities that are  
2 able to meet the following:

3 (A) Operate without any net profit and operational  
4 reserves not to exceed twenty percent (20%) of the annual  
5 operating budget.

6 (B) Provide limited executive and employee pay that does  
7 not exceed one million dollars (\$1,000,000).

8 (C) Have a credible history as a nonprofit entity.

9 (c) Before July 1, 2025, the following information must be  
10 provided:

11 (1) The office shall share with and provide access to the  
12 necessary data to perform this study with the legislative  
13 services agency.

14 (2) A managed care organization that has contracted with the  
15 office to provide managed care services for the Medicaid  
16 program shall provide data necessary for the office and the  
17 legislative services agency to meet the requirements of this  
18 SECTION, as prescribed by the office and the legislative  
19 services agency.

20 (d) The study must include whether either of the models  
21 described in subsection (b) would result in a savings of at least  
22 three percent (3%) to the Medicaid program from current  
23 Medicaid spending.

24 (e) If the study required by this SECTION results in the savings  
25 described in subsection (d), the following actions must occur:

26 (1) The general assembly is encouraged to move forward with  
27 legislation necessary for the implementation of the model with  
28 the savings described in subsection (d) during the 2026  
29 regular session of the general assembly.

30 (2) Not later than November 1, 2025, the office shall submit to  
31 the general assembly in an electronic format under IC 5-14-6  
32 a full implementation plan for the general assembly to  
33 consider in the implementation described in subdivision (1).

34 (f) Not later than October 1, 2025, the office and the legislative  
35 services agency shall report the findings of this study to the  
36 legislative council in an electronic format under IC 5-14-6.

37 (g) This SECTION expires December 31, 2026.

38 SECTION 2. An emergency is declared for this act.

