
HOUSE BILL No. 1823

DIGEST OF INTRODUCED BILL

Citations Affected: IC 2-5-26-8; IC 4-12; IC 4-22-2-37.1; IC 4-23; IC 12-7-2; IC 12-10-16; IC 12-13-15.2-1; IC 12-15; IC 16-42-22; IC 12-17.6; IC 27-1-37.2; IC 35-43-5-7.2.

Synopsis: State budget and tobacco settlement funds. Repeals the laws concerning the following: the formula for distributions from the tobacco master settlement; the tobacco use prevention and cessation trust fund; the biomedical technology and basic research trust fund; the local health department trust fund. Repeals the health care trust fund law and makes corresponding changes in Medicaid eligibility. Repeals the prescription drug fund law, but provides funding for the program from the general fund. Appropriates \$20,000,000 for the prescription drug program from the general fund. Repeals the laws concerning the regional health care construction account; the tobacco farmers and rural community impact fund; the children's health insurance program; and the health insurance educator. Repeals a fraud statute regarding the children's health insurance program.

Effective: Upon passage; July 1, 2003.

Torr, Brown T

January 23, 2003, read first time and referred to Committee on Ways and Means.

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First Regular Session 113th General Assembly (2003)

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 2002 Regular or Special Session of the General Assembly.

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HOUSE BILL No. 1823



A BILL FOR AN ACT to amend the Indiana Code concerning state fiscal matters and to make an appropriation.

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

- 1 SECTION 1. IC 2-5-26-8, AS ADDED BY P.L.256-2001,
- 2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 3 JULY 1, 2003]: Sec. 8. The commission shall do the following:
- 4 (1) Determine whether the contractor for the office under
- 5 IC 12-15-30 that has responsibility for processing provider claims
- 6 for payment under the Medicaid program has properly performed
- 7 the terms of the contractor's contract with the state.
- 8 (2) Study and propose legislative and administrative procedures
- 9 that could help reduce the amount of time needed to process
- 10 Medicaid claims and eliminate reimbursement backlogs, delays,
- 11 and errors.
- 12 (3) Oversee the implementation of a case mix reimbursement
- 13 system developed by the office and designed for Indiana Medicaid
- 14 certified nursing facilities.
- 15 (4) Study and investigate any other matter related to Medicaid.
- 16 ~~(5) Study and investigate all matters related to the implementation~~
- 17 ~~of the children's health insurance program established by~~



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~~IC 12-17.6-~~
SECTION 2. IC 4-12-1-14.4 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 14.4. (a) As used in this section, "Master Settlement Agreement" has the meaning set forth in IC 24-3-3-6.**

(b) The general assembly finds that the purpose of the tobacco lawsuit was to reimburse taxpayers for expenses that the states incurred and will incur in the future under Medicaid and other public assistance programs for smoking related illnesses. The general assembly finds that the use of Master Settlement Agreement proceeds to fund new and expanded health and welfare programs creates an undue burden on Indiana taxpayers and deprives taxpayers of the relief for which the tobacco lawsuit was ostensibly brought.

(c) Money received by the state under the Master Settlement Agreement shall be deposited in the state general fund.

SECTION 3. IC 4-22-2-37.1, AS AMENDED BY P.L.120-2002, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 37.1. (a) This section applies to a rulemaking action resulting in any of the following rules:**

- (1) An order adopted by the commissioner of the Indiana department of transportation under IC 9-20-1-3(d) or IC 9-21-4-7(a) and designated by the commissioner as an emergency rule.
- (2) An action taken by the director of the department of natural resources under IC 14-22-2-6(d) or IC 14-22-6-13.
- (3) An emergency temporary standard adopted by the occupational safety standards commission under IC 22-8-1.1-16.1.
- (4) An emergency rule adopted by the solid waste management board under IC 13-22-2-3 and classifying a waste as hazardous.
- (5) A rule, other than a rule described in subdivision (6), adopted by the department of financial institutions under IC 24-4.5-6-107 and declared necessary to meet an emergency.
- (6) A rule required under IC 24-4.5-1-106 that is adopted by the department of financial institutions and declared necessary to meet an emergency under IC 24-4.5-6-107.
- (7) A rule adopted by the Indiana utility regulatory commission to address an emergency under IC 8-1-2-113.
- (8) An emergency rule jointly adopted by the water pollution control board and the budget agency under IC 13-18-13-18.
- (9) An emergency rule adopted by the state lottery commission

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- 1 under IC 4-30-3-9.
- 2 (10) A rule adopted under IC 16-19-3-5 that the executive board
3 of the state department of health declares is necessary to meet an
4 emergency.
- 5 (11) An emergency rule adopted by the Indiana transportation
6 finance authority under IC 8-21-12.
- 7 (12) An emergency rule adopted by the insurance commissioner
8 under IC 27-1-23-7.
- 9 (13) An emergency rule adopted by the Indiana horse racing
10 commission under IC 4-31-3-9.
- 11 (14) An emergency rule adopted by the air pollution control
12 board, the solid waste management board, or the water pollution
13 control board under IC 13-15-4-10(4) or to comply with a
14 deadline required by federal law, provided:
- 15 (A) the variance procedures are included in the rules; and
16 (B) permits or licenses granted during the period the
17 emergency rule is in effect are reviewed after the emergency
18 rule expires.
- 19 (15) An emergency rule adopted by the Indiana election
20 commission under IC 3-6-4.1-14.
- 21 (16) An emergency rule adopted by the department of natural
22 resources under IC 14-10-2-5.
- 23 (17) An emergency rule adopted by the Indiana gaming
24 commission under IC 4-33-4-2, IC 4-33-4-3, or IC 4-33-4-14.
- 25 (18) An emergency rule adopted by the alcohol and tobacco
26 commission under IC 7.1-3-17.5, IC 7.1-3-17.7, or
27 IC 7.1-3-20-24.4.
- 28 (19) An emergency rule adopted by the department of financial
29 institutions under IC 28-15-11.
- 30 (20) An emergency rule adopted by the office of the secretary of
31 family and social services under IC 12-8-1-12.
- 32 ~~(21) An emergency rule adopted by the office of the children's~~
33 ~~health insurance program under IC 12-17.6-2-11.~~
- 34 ~~(22)~~ **(21)** After December 31, 2003, an emergency rule adopted
35 by the office of Medicaid policy and planning under
36 IC 12-17.7-2-6 to implement the uninsured parents program.
- 37 ~~(23)~~ **(22)** An emergency rule adopted by the office of Medicaid
38 policy and planning under IC 12-15-41-15.
- 39 (b) The following do not apply to rules described in subsection (a):
40 (1) Sections 24 through 36 of this chapter.
41 (2) IC 13-14-9.
42 (c) After a rule described in subsection (a) has been adopted by the

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1 agency, the agency shall submit the rule to the publisher for the
 2 assignment of a document control number. The agency shall submit the
 3 rule in the form required by section 20 of this chapter and with the
 4 documents required by section 21 of this chapter. The publisher shall
 5 determine the number of copies of the rule and other documents to be
 6 submitted under this subsection.

7 (d) After the document control number has been assigned, the
 8 agency shall submit the rule to the secretary of state for filing. The
 9 agency shall submit the rule in the form required by section 20 of this
 10 chapter and with the documents required by section 21 of this chapter.
 11 The secretary of state shall determine the number of copies of the rule
 12 and other documents to be submitted under this subsection.

13 (e) Subject to section 39 of this chapter, the secretary of state shall:

- 14 (1) accept the rule for filing; and
- 15 (2) file stamp and indicate the date and time that the rule is
 16 accepted on every duplicate original copy submitted.

17 (f) A rule described in subsection (a) takes effect on the latest of the
 18 following dates:

- 19 (1) The effective date of the statute delegating authority to the
 20 agency to adopt the rule.
- 21 (2) The date and time that the rule is accepted for filing under
 22 subsection (e).
- 23 (3) The effective date stated by the adopting agency in the rule.
- 24 (4) The date of compliance with every requirement established by
 25 law as a prerequisite to the adoption or effectiveness of the rule.

26 (g) Subject to subsection (h), IC 14-10-2-5, IC 14-22-2-6, and
 27 IC 22-8-1.1-16.1, a rule adopted under this section expires not later
 28 than ninety (90) days after the rule is accepted for filing under
 29 subsection (e). Except for a rule adopted under subsection (a)(14), the
 30 rule may be extended by adopting another rule under this section, but
 31 only for one (1) extension period. A rule adopted under subsection
 32 (a)(14) may be extended for two (2) extension periods. Except for a
 33 rule adopted under subsection (a)(14), for a rule adopted under this
 34 section to be effective after one (1) extension period, the rule must be
 35 adopted under:

- 36 (1) sections 24 through 36 of this chapter; or
- 37 (2) IC 13-14-9;

38 as applicable.

39 (h) A rule described in subsection (a)(6), (a)(9), or (a)(13) expires
 40 on the earlier of the following dates:

- 41 (1) The expiration date stated by the adopting agency in the rule.
- 42 (2) The date that the rule is amended or repealed by a later rule

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1 adopted under sections 24 through 36 of this chapter or this
2 section.

3 (i) This section may not be used to readopt a rule under IC 4-22-2.5.

4 SECTION 4. IC 4-23-26-3, AS AMENDED BY P.L.215-2001,
5 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
6 JULY 1, 2003]: Sec. 3. (a) The committee consists of the following
7 members:

8 (1) The director of the children's special health care services
9 program.

10 (2) The director of the first steps program.

11 (3) The chair of the governor's interagency coordinating council
12 for early intervention.

13 (4) The chair of the children's special health care services
14 advisory council under 410 IAC 3.2-11.

15 (5) The director of the division of special education created under
16 IC 20-1-6-2.1.

17 (6) The director of the division of mental health and addiction.

18 (7) One (1) representative of the Indiana chapter of the American
19 Academy of Pediatrics.

20 (8) One (1) representative of a family advocacy group.

21 (9) Three (3) parents of children with special health needs.

22 (10) Three (3) parents of children who are enrolled in the

23 ~~(A) children's health insurance program under IC 12-17-6; or~~

24 ~~(B) Medicaid managed care program for children.~~

25 (b) The members under subdivisions (1) and (2) are nonvoting
26 members.

27 SECTION 5. IC 4-23-27-7, AS AMENDED BY P.L.107-2002,
28 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
29 JULY 1, 2003]: Sec. 7. The board shall direct policy coordination of
30 children's health programs by doing the following:

31 (1) Developing a comprehensive policy in the following areas:

32 (A) Appropriate delivery systems of care.

33 (B) Enhanced access to care.

34 (C) The use of various program funding for maximum
35 efficiency.

36 (D) The optimal provider participation in various programs.

37 (E) The potential for expanding health insurance coverage to
38 other populations.

39 (F) Technology needs, including development of an electronic
40 claim administration, payment, and data collection system that
41 allows providers to have the following:

42 (i) Point of service claims payments.

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- 1 (ii) Instant claims adjudication.
 2 (iii) Point of service health status information.
 3 (iv) Claims related data for analysis.
 4 (G) Appropriate organizational structure to implement health
 5 policy in the state.
 6 (2) Coordinating aspects of existing children's health programs,
 7 including ~~the children's health insurance program~~, Medicaid
 8 managed care for children, first steps, and children's special
 9 health care services, in order to achieve a more seamless system
 10 easily accessible by participants and providers, specifically in the
 11 following areas:
 12 (A) Identification of potential enrollees.
 13 (B) Outreach.
 14 (C) Eligibility criteria.
 15 (D) Enrollment.
 16 (E) Benefits and coverage issues.
 17 (F) Provider requirements.
 18 (G) Evaluation.
 19 (H) Procurement policies.
 20 (I) Information technology systems. ~~including technology to~~
 21 ~~coordinate payment for services provided through the~~
 22 ~~children's health insurance program under IC 12-17.6 with:~~
 23 (i) ~~services provided to children with special health needs;~~
 24 ~~and~~
 25 (ii) ~~public health programs designed to protect all children.~~
 26 (3) Reviewing, analyzing, disseminating, and using data when
 27 making policy decisions.
 28 (4) ~~Overseeing implementation of the children's health insurance~~
 29 ~~program under IC 12-17.6; including:~~
 30 (A) ~~reviewing:~~
 31 (i) ~~benefits provided by;~~
 32 (ii) ~~eligibility requirements for; and~~
 33 (iii) ~~each evaluation of;~~
 34 ~~the children's health insurance program on an annual basis in~~
 35 ~~light of available funding;~~
 36 (B) ~~making recommendations for changes to the children's~~
 37 ~~health insurance program to the office of the children's health~~
 38 ~~insurance program established under IC 12-17.6-2-1; and~~
 39 (C) ~~studying benefits appropriate for children's mental health~~
 40 ~~and addiction services.~~

41 SECTION 6. IC 12-7-2-52.2, AS AMENDED BY P.L.283-2001,
 42 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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1 JULY 1, 2003]: Sec. 52.2. (a) ~~"Crowd out", for purposes of IC 12-17.6,~~
 2 ~~has the meaning set forth in IC 12-17.6-1-2.~~

3 ~~(b) "Crowd out", for purposes of IC 12-17.7, has the meaning set~~
 4 ~~forth in IC 12-17.7-1-3.~~

5 SECTION 7. IC 12-7-2-76.5, AS AMENDED BY P.L.283-2001,
 6 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 7 JULY 1, 2003]: Sec. 76.5. (a) "Emergency", for purposes of IC 12-20,
 8 means an unpredictable circumstance or a series of unpredictable
 9 circumstances that:

10 (1) place the health or safety of a household or a member of a
 11 household in jeopardy; and

12 (2) cannot be remedied in a timely manner by means other than
 13 township assistance.

14 ~~(b) "Emergency", for purposes of IC 12-17.6, has the meaning set~~
 15 ~~forth in IC 12-17.6-1-2.6.~~

16 ~~(c) (b) "Emergency", for purposes of IC 12-17.7, has the meaning~~
 17 ~~set forth in IC 12-17.7-1-4.~~

18 SECTION 8. IC 12-7-2-91, AS AMENDED BY P.L.14-2000,
 19 SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 20 JULY 1, 2003]: Sec. 91. "Fund" means the following:

21 (1) For purposes of IC 12-12-1-9, the fund described in
 22 IC 12-12-1-9.

23 (2) For purposes of IC 12-13-8, the meaning set forth in
 24 IC 12-13-8-1.

25 (3) For purposes of IC 12-15-20, the meaning set forth in
 26 IC 12-15-20-1.

27 (4) For purposes of IC 12-17-12, the meaning set forth in
 28 IC 12-17-12-4.

29 ~~(5) For purposes of IC 12-17.6, the meaning set forth in~~
 30 ~~IC 12-17.6-1-3.~~

31 ~~(6) (5) For purposes of IC 12-18-4, the meaning set forth in~~
 32 ~~IC 12-18-4-1.~~

33 ~~(7) (6) For purposes of IC 12-18-5, the meaning set forth in~~
 34 ~~IC 12-18-5-1.~~

35 ~~(8) (7) For purposes of IC 12-19-7, the meaning set forth in~~
 36 ~~IC 12-19-7-2.~~

37 ~~(9) (8) For purposes of IC 12-23-2, the meaning set forth in~~
 38 ~~IC 12-23-2-1.~~

39 ~~(10) (9) For purposes of IC 12-24-6, the meaning set forth in~~
 40 ~~IC 12-24-6-1.~~

41 ~~(11) (10) For purposes of IC 12-24-14, the meaning set forth in~~
 42 ~~IC 12-24-14-1.~~

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- 1 ~~(12)~~ **(11)** For purposes of IC 12-30-7, the meaning set forth in
2 IC 12-30-7-3.
- 3 SECTION 9. IC 12-7-2-134, AS AMENDED BY P.L.273-1999,
4 SECTION 165, IS AMENDED TO READ AS FOLLOWS
5 [EFFECTIVE JULY 1, 2003]: Sec. 134. "Office" means the following:
6 (1) Except as provided in subdivisions (2) and (3), the office of
7 Medicaid policy and planning established by IC 12-8-6-1.
8 (2) For purposes of IC 12-10-13, the meaning set forth in
9 IC 12-10-13-4.
10 ~~(3) For purposes of IC 12-17-6, the meaning set forth in~~
11 ~~IC 12-17-6-1-4.~~
- 12 SECTION 10. IC 12-7-2-146, AS AMENDED BY P.L.283-2001,
13 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
14 JULY 1, 2003]: Sec. 146. "Program" refers to the following:
15 (1) For purposes of IC 12-10-7, the adult guardianship services
16 program established by IC 12-10-7-5.
17 (2) For purposes of IC 12-10-10, the meaning set forth in
18 IC 12-10-10-5.
19 ~~(3) For purposes of IC 12-17-6, the meaning set forth in~~
20 ~~IC 12-17-6-1-5.~~
- 21 ~~(4)~~ **(3)** For purposes of IC 12-17.7, the meaning set forth in
22 IC 12-17.7-1-6.
- 23 SECTION 11. IC 12-7-2-149, AS AMENDED BY P.L.283-2001,
24 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
25 JULY 1, 2003]: Sec. 149. "Provider" means the following:
26 (1) For purposes of IC 12-10-7, the meaning set forth in
27 IC 12-10-7-3.
28 (2) For purposes of the following statutes, an individual, a
29 partnership, a corporation, or a governmental entity that is
30 enrolled in the Medicaid program under rules adopted under
31 IC 4-22-2 by the office of Medicaid policy and planning:
32 (A) IC 12-14-1 through IC 12-14-9.5.
33 (B) IC 12-15, except IC 12-15-32, IC 12-15-33, and
34 IC 12-15-34.
35 (C) IC 12-17-10.
36 (D) IC 12-17-11.
37 ~~(E) IC 12-17-6.~~
38 ~~(F)~~ **(E)** IC 12-17.7.
39 (3) For purposes of IC 12-17-9, the meaning set forth in
40 IC 12-17-9-2.
41 (4) For the purposes of IC 12-17.2, a person who operates a child
42 care center or child care home under IC 12-17.2.

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1 (5) For purposes of IC 12-17.4, a person who operates a child
 2 caring institution, foster family home, group home, or child
 3 placing agency under IC 12-17.4.

4 SECTION 12. IC 12-10-16-6, AS AMENDED BY P.L.291-2001,
 5 SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 6 JULY 1, 2003]: Sec. 6. The administrative expenses and benefit costs
 7 of the program shall be paid from the ~~account:~~ **state general fund.**

8 SECTION 13. IC 12-13-15.2-1, AS ADDED BY P.L.169-2001,
 9 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 10 JULY 1, 2003]: Sec. 1. Each county office of family and children shall
 11 provide to the following entities in the county a list of dentists
 12 practicing in the county who provide dental services under the
 13 Medicaid program (IC 12-15): ~~or the children's health insurance~~
 14 ~~program (IC 12-17.6):~~

- 15 (1) Head Start programs (42 U.S.C. 9831 et seq.).
- 16 (2) Women, infants, and children nutrition programs (as defined
 17 in IC 16-35-1.5-5).
- 18 (3) Maternal and child health clinics (as defined in IC 16-46-5-5).
- 19 (4) The local health department.
- 20 (5) School nurses appointed under IC 20-8.1-7-5.
- 21 (6) Child care centers licensed under IC 12-17.2-4.
- 22 (7) The township trustees.

23 SECTION 14. IC 12-15-2-14, AS AMENDED BY P.L.273-1999,
 24 SECTION 171, IS AMENDED TO READ AS FOLLOWS
 25 [EFFECTIVE JULY 1, 2003]: Sec. 14. (a) An individual:

- 26 (1) who is ~~less than~~ **at least seven (7) years of age and less than**
 27 **nineteen (19) years of age;**
- 28 (2) **who was born after September 30, 1984;**
- 29 (3) who is not described in 42 U.S.C. 1396a(a)(10)(A)(I); and
 30 ~~(3)~~ (4) whose family income does not exceed the income level
 31 established in subsection (b);

32 is eligible to receive Medicaid.

33 (b) An individual described in ~~this section~~ **subsection (a)** is eligible
 34 to receive Medicaid, subject to 42 U.S.C. 1396a et seq., if the
 35 individual's family income does not exceed one hundred ~~fifty~~ percent
 36 ~~(150%)~~ **(100%)** of the federal income poverty level for the same size
 37 family.

38 (c) The office may apply a resource standard in determining the
 39 eligibility of an individual described in this section.

40 SECTION 15. IC 12-15-2-14.1 IS ADDED TO THE INDIANA
 41 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 42 [EFFECTIVE JULY 1, 2003]: **Sec. 14.1. (a) An individual:**

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1 **(1) who is at least one (1) year of age and less than seven (7)**
 2 **years of age;**
 3 **(2) who is not described in 42 U.S.C. 1396a(a)(10)(A)(I); and**
 4 **(3) whose family income does not exceed the income level**
 5 **established in subsection (b);**
 6 **is eligible to receive Medicaid.**

7 **(b) An individual described in subsection (a) is eligible to receive**
 8 **Medicaid, subject to 42 U.S.C. 1396a et seq., if the individual's**
 9 **family income does not exceed one hundred thirty-three percent**
 10 **(133%) of the federal income poverty level for the same size family.**

11 **(c) The office may apply a resource standard in determining the**
 12 **eligibility of an individual described in this section.**

13 SECTION 16. IC 12-15-2-14.2 IS ADDED TO THE INDIANA
 14 CODE AS A NEW SECTION TO READ AS FOLLOWS
 15 [EFFECTIVE JULY 1, 2003]: **Sec. 14.2. (a) An individual:**

16 **(1) who is less than one (1) year of age;**
 17 **(2) who is not described in 42 U.S.C. 1396a(a)(10)(A)(I); and**
 18 **(3) whose family income does not exceed the income level**
 19 **established in subsection (b);**
 20 **is eligible to receive Medicaid.**

21 **(b) An individual described in subsection (a) is eligible to receive**
 22 **Medicaid, subject to 42 U.S.C. 1396a et seq., if the individual's**
 23 **family income does not exceed one hundred fifty percent (150%)**
 24 **of the federal income poverty level for the same size family.**

25 **(c) The office may apply a resource standard in determining the**
 26 **eligibility of an individual described in this section.**

27 SECTION 17. IC 12-15-41-10, AS ADDED BY P.L.287-2001,
 28 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 29 JULY 1, 2003]: **Sec. 10. To the greatest extent possible, the office shall**
 30 **use the same administrative procedures regarding premiums for the**
 31 **buy-in program as ~~are~~ were used before July 1, 2003, for the children's**
 32 **health insurance program established under IC 12-17.6 (before its**
 33 **repeal), including:**

- 34 (1) the effect of nonpayment of a premium; and
- 35 (2) the collection of premiums.

36 SECTION 18. IC 12-15-41-13, AS ADDED BY P.L.287-2001,
 37 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 38 JULY 1, 2003]: **Sec. 13. (a) The office shall establish criteria to**
 39 **determine the effectiveness of:**

- 40 (1) the buy-in program; and
- 41 (2) continued Medicaid coverage through Section 1619 of the
- 42 federal Social Security Act (42 U.S.C. 1382h).

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1 (b) The criteria required under subsection (a) must include the
2 following:

3 (1) The number of individuals with disabilities who are:

4 (A) enrolled in the buy-in program; or

5 (B) receiving Medicaid through Section 1619 of the federal
6 Social Security Act (42 U.S.C. 1382h).

7 (2) State revenues resulting from premiums paid by participants
8 in the buy-in program.

9 (3) State costs incurred as a result of implementing the buy-in
10 program, including administrative costs and costs of providing
11 services.

12 (c) In addition to the criteria required under subsection (b), the
13 office may establish criteria to determine the following:

14 (1) Comparative costs of Medicaid funded services for
15 participants in the buy-in program and work incentives created
16 through Section 1619 of the federal Social Security Act (42
17 U.S.C. 1382h) before and after employment.

18 (2) The number of Supplemental Security Income and Social
19 Security Disability Insurance recipients in Indiana who are no
20 longer dependent on, or who have reduced dependence on, public
21 assistance or health care entitlement services other than Medicaid
22 ~~or the children's health insurance program~~, due to participation in
23 the buy-in program or work incentives created through Section
24 1619 of the federal Social Security Act (42 U.S.C. 1382h).

25 (3) The number of individuals with severe disabilities who are no
26 longer dependent on, or who have reduced dependence on, public
27 benefits or services other than Medicaid ~~or the children's health
28 insurance program~~, due to income or support services received
29 through participation in the buy-in program or work incentives
30 created through Section 1619 of the federal Social Security Act
31 (42 U.S.C. 1382h).

32 (4) The change in the number of buy-in program participants or
33 participants in work incentives created through Section 1619 of
34 the federal Social Security Act (42 U.S.C. 1382h) who have
35 health care needs and related services covered through employer
36 based benefit programs.

37 (d) In evaluating the effectiveness of the state's work incentive
38 initiatives for individuals with disabilities, the office:

39 (1) shall collaborate with other state agencies on data collection;
40 and

41 (2) may consult with an independent contractor to collect data on
42 the criteria listed under subsection (b).

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1 (e) The office shall provide an annual report of its evaluation under
 2 this section to the council not later than October 1 each year, beginning
 3 in 2003.

4 SECTION 19. IC 16-42-22-8, AS AMENDED BY P.L.291-2001,
 5 SECTION 233, IS AMENDED TO READ AS FOLLOWS
 6 [EFFECTIVE JULY 1, 2003]: Sec. 8. (a) For substitution to occur for
 7 a prescription other than a prescription filled under the Medicaid
 8 program (42 U.S.C. 1396 et seq.) ~~the children's health insurance~~
 9 ~~program established under IC 12-17-6-2~~; or the Medicare program (42
 10 U.S.C. 1395 et seq.):

11 (1) the practitioner must sign on the line under which the words
 12 "May substitute" appear; and

13 (2) the pharmacist must inform the customer of the substitution.

14 (b) This section does not authorize any substitution other than
 15 substitution of a generically equivalent drug product.

16 SECTION 20. IC 16-42-22-10, AS AMENDED BY P.L.291-2001,
 17 SECTION 234, IS AMENDED TO READ AS FOLLOWS
 18 [EFFECTIVE JULY 1, 2003]: Sec. 10. (a) If a prescription is filled
 19 under the Medicaid program (42 U.S.C. 1396 et seq.) ~~the children's~~
 20 ~~health insurance program established under IC 12-17-6-2~~; or the
 21 Medicare program (42 U.S.C. 1395 et seq.), the pharmacist shall
 22 substitute a generically equivalent drug product and inform the
 23 customer of the substitution if the substitution would result in a lower
 24 price unless:

25 (1) the words "Brand Medically Necessary" are written in the
 26 practitioner's own writing on the form; or

27 (2) the practitioner has indicated that the pharmacist may not
 28 substitute a generically equivalent drug product by orally stating
 29 that a substitution is not permitted.

30 (b) If a practitioner orally states that a generically equivalent drug
 31 product may not be substituted, the practitioner must subsequently
 32 forward to the pharmacist a written prescription with the "Brand
 33 Medically Necessary" instruction appropriately indicated in the
 34 physician's own handwriting.

35 (c) This section does not authorize any substitution other than
 36 substitution of a generically equivalent drug product.

37 SECTION 21. THE FOLLOWING ARE REPEALED [EFFECTIVE
 38 JULY 1, 2003]: IC 4-12-1-14.3; IC 4-12-4; IC 4-12-5; IC 4-12-6;
 39 IC 4-12-7; IC 4-12-8; IC 4-12-8.5; IC 4-12-9; IC 12-10-16-1;
 40 IC 12-17.6; IC 27-1-37.2; IC 35-43-5-7.2.

41 SECTION 22. [EFFECTIVE JULY 1, 2003] **There is appropriated**
 42 **to the budget agency twenty million dollars (\$20,000,000) from the**

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state general fund for the Indiana prescription drug program beginning July 1, 2003, and ending June 30, 2004.

SECTION 23. [EFFECTIVE UPON PASSAGE] (a) As used in this SECTION, "office" refers to the office of Medicaid policy and planning established by IC 12-8-6-1.

(b) Before July 1, 2003, the office shall apply to the United States Department of Health and Human Services for approval to amend the state Medicaid plan to delete coverage under the children's health insurance program established in IC 12-17.6 (repealed by this act).

(c) The office may not implement the amended state Medicaid plan until the office files an affidavit with the governor attesting that the proposed amendment to the state Medicaid plan applied for under this SECTION was approved. The office shall file the affidavit under this subsection not later than five (5) days after the office is notified that the proposed amendment is approved.

(d) If the office receives approval of the proposed amendment to the state Medicaid plan under this SECTION from the United States Department of Health and Human Services and the governor receives the affidavit filed under subsection (c), the office shall implement the amendment not more than sixty (60) days after the governor receives the affidavit.

(e) The office may adopt rules under IC 4-22-2 necessary to implement this SECTION.

SECTION 24. [EFFECTIVE JULY 1, 2003] On July 1, 2003, balances in the Indiana tobacco use prevention and cessation trust fund and accounts within the Indiana tobacco use prevention and cessation trust fund are transferred to the state general fund.

SECTION 25. An emergency is declared for this act.

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