

SENATE MOTION

MADAM PRESIDENT:

I move that Engrossed House Bill 1365 be amended to read as follows:

- 1 Replace the effective dates in SECTIONS 1 through 2 with
- 2 "[EFFECTIVE JULY 1, 2004]".
- 3 Page 1, line 7, delete "(k)," and insert "(k) **and section 7 of this**
- 4 **chapter,**".
- 5 Page 2, line 3, delete "(k)," and insert "(k) **and section 7 of this**
- 6 **chapter,**".
- 7 Page 2, line 12, delete "(k)," and insert "(k) **and section 7 of this**
- 8 **chapter,**".
- 9 Page 2, line 19, delete "(k)," and insert "(k) **and section 7 of this**
- 10 **chapter,**".
- 11 Page 2, line 27, delete "(k)," and insert "(k) **and section 7 of this**
- 12 **chapter,**".
- 13 Page 2, line 36, reset in roman "subsection".
- 14 Page 2, line 36, delete "(k)," and insert "(k)".
- 15 Page 2, line 36, before "section" insert "**and**".
- 16 Page 2, line 42, reset in roman "as follows, in amounts determined
- 17 by the Indiana".
- 18 Page 3, reset in roman lines 1 through 10.
- 19 Page 3, line 11, reset in roman "offering a racing schedule."
- 20 Page 3, line 11, delete "under section 7 of this chapter."
- 21 Page 5, line 11, delete "(k)," and insert "(k) **and section 7 of this**
- 22 **chapter,**".
- 23 Page 5, line 17, delete "(k)," and insert "(k) **and section 7 of this**
- 24 **chapter,**".
- 25 Page 5, line 23, delete "(k)," and insert "(k) **and section 7 of this**
- 26 **chapter,**".
- 27 Page 5, line 30, delete "(k)," and insert "(k) **and section 7 of this**
- 28 **chapter,**".
- 29 Page 5, line 37, delete "(k)," and insert "(k) **and section 7 of this**

- 1 **chapter,"**
 2 Page 6, line 3, delete "(k)," and insert "(k) **and section 7 of this**
 3 **chapter,"**
 4 Page 6, line 12, reset in roman "subsection".
 5 Page 6, line 12, delete "(k)," and insert "(k)".
 6 Page 6, line 12, before "section" insert "**and**".
 7 Page 6, line 18, reset in roman "as follows, in amounts determined
 8 by the Indiana".
 9 Page 6, reset in roman lines 19 through 28.
 10 Page 6, line 29, reset in roman "offering a racing schedule."
 11 Page 6, line 29, delete "under section 7 of this chapter."
 12 Page 7, line 24, reset in roman "subsection (b)."
 13 Page 7, line 24, after "subsection (b)." delete "subsection".
 14 Page 7, delete line 25.
 15 Page 7, line 29, reset in roman "(d)(7)."
 16 Page 7, line 29, delete "(d)(6)."
 17 Page 8, line 5, delete "the Indiana horse racing".
 18 Page 8, line 6, delete "commission or".
 19 Page 8, line 15, delete "the Indiana horse racing".
 20 Page 8, line 16, delete "commission or".
 21 Page 8, line 24, delete "only to the" and insert "**to each entity**
 22 **receiving admissions tax revenue under section 6(b) and 6(d) of**
 23 **this chapter."**
 24 Page 8, delete line 25.
 25 Page 8, line 26, delete "2003, the" and insert "**2004, the treasurer**
 26 **of state shall distribute:**
 27 **(1) two million one hundred thousand dollars (\$2,100,000) of**
 28 **the admissions taxes collected under this chapter during each**
 29 **state fiscal year to the clean water Indiana fund established**
 30 **under IC 14-32-8-6; and**
 31 **(2) eight million five hundred thousand dollars (\$8,500,000)**
 32 **to the department of education for full day kindergarten."**
 33 Page 8, delete lines 27 through 42, begin a new paragraph and insert:
 34 **"(c) Each distribution required under section 6(b) and 6(d) of**
 35 **this chapter may be reduced proportionately by the treasurer of**
 36 **state if necessary to make the distributions required under**
 37 **subsection (b).**
 38 **(d) At the time that the treasurer of state makes the**
 39 **distributions required under subsection (b), the treasurer of state**
 40 **shall determine whether each entity receiving distributions under**
 41 **section 6(b) and 6(d) of this chapter has received the entity's base**
 42 **year revenue. If the treasurer of state determines that an entity**
 43 **has received its base year revenue, the treasurer of state shall**
 44 **reduce the amount paid to the property tax replacement fund**
 45 **under section 6(k) of this chapter in order to make the**

1 **distributions required under subsection (b).**

2 SECTION 3. IC 4-33-12-8 IS ADDED TO THE INDIANA CODE
 3 AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY**
 4 **1, 2004]: Sec. 8. Money paid to the department of education under**
 5 **section 7 of this chapter is available to a school corporation that**
 6 **applies to the department of education for funding of full day**
 7 **kindergarten. The amount available to a school corporation equals**
 8 **the amount paid to the department of education under section 7**
 9 **of this chapter divided by the total ADM (as defined in**
 10 **IC 21-3-1.6-1.1) of participating school corporations for the**
 11 **current year, and then multiplied by the school corporation's ADM**
 12 **(as defined in IC 21-3-1.6-1.1) for the current year. A school**
 13 **corporation that is awarded a grant under this section must**
 14 **provide to the department of education a financial report stating**
 15 **how the funds were spent. Any unspent funds must at the end of**
 16 **a year must be returned to the state by the school corporation.".**

17 Delete pages 9 through 13.

18 Page 14, delete lines 1 through 25.

19 Page 37, between lines 10 and 11, begin a new paragraph and insert:
 20 "SECTION 17. IC 12-15-18-5.1, AS AMENDED BY P.L.66-2002,
 21 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 22 JULY 1, 2004]: Sec. 5.1. (a) For state fiscal years ending on or after
 23 June 30, 1998, the trustees and each municipal health and hospital
 24 corporation established under IC 16-22-8-6 are authorized to make
 25 intergovernmental transfers to the Medicaid indigent care trust fund in
 26 amounts to be determined jointly by the office and the trustees, and the
 27 office and each municipal health and hospital corporation.

28 (b) The treasurer of state shall annually transfer from appropriations
 29 made for the division of mental health and addiction sufficient money
 30 to provide the state's share of payments under IC 12-15-16-6(c)(2).

31 (c) The office shall coordinate the transfers from the trustees and
 32 each municipal health and hospital corporation established under
 33 IC 16-22-8-6 so that the aggregate intergovernmental transfers, when
 34 combined with federal matching funds:

35 (1) produce payments to each hospital licensed under IC 16-21
 36 that qualifies as a disproportionate share provider under
 37 IC 12-15-16-1(a); and

38 (2) both individually and in the aggregate do not exceed limits
 39 prescribed by the federal Centers for Medicare and Medicaid
 40 Services.

41 The trustees and a municipal health and hospital corporation are not
 42 required to make intergovernmental transfers under this section. The
 43 trustees and a municipal health and hospital corporation may make
 44 additional transfers to the Medicaid indigent care trust fund to the extent
 45 necessary to make additional payments from the Medicaid indigent care
 46 trust fund apply to a prior federal fiscal year as provided in

1 IC 12-15-19-1(b).

2 (d) A municipal disproportionate share provider (as defined in
3 IC 12-15-16-1) shall transfer to the Medicaid indigent care trust fund
4 an amount determined jointly by the office and the municipal
5 disproportionate share provider. A municipal disproportionate share
6 provider is not required to make intergovernmental transfers under this
7 section. A municipal disproportionate share provider may make
8 additional transfers to the Medicaid indigent care trust fund to the extent
9 necessary to make additional payments from the Medicaid indigent care
10 trust fund apply to a prior federal fiscal year as provided in
11 IC 12-15-19-1(b).

12 (e) A county making a payment under IC 12-29-1-7(b) or from
13 other county sources to a community mental health center qualifying as
14 a community mental health center disproportionate share provider **for**
15 **purposes of IC 12-15-19-9.5** shall certify that the payment represents
16 expenditures that are eligible for federal financial participation under 42
17 U.S.C. 1396b(w)(6)(A) and 42 CFR 433.51. The office shall assist a
18 county in making this certification.

19 SECTION 18. IC 12-15-19-9.5 IS ADDED TO THE INDIANA
20 CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
21 JULY 1, 2004]: **Sec. 9.5. (a) For each state fiscal year beginning**
22 **after June 30, 2004, a community mental health center**
23 **disproportionate share provider that is:**

24 (1) freestanding from a hospital licensed under IC 16-21; and
25 (2) not operated as part of a hospital licensed under IC 16-21;
26 shall receive a disproportionate share payment as provided in this
27 section.

28 (b) Subject to subsection (f), a community mental health center
29 disproportionate share provider described in subsection (a) shall
30 receive a payment in the amount determined under STEP 3 of the
31 following formula:

32 **STEP 1: Determine the amounts certified for the community**
33 **mental health center disproportionate share provider under**
34 **IC 12-15-18-5.1(e).**

35 **STEP 2: Divide the amount determined under STEP 1 by a**
36 **percentage equal to one (1) minus the state's federal medical**
37 **assistance percentage for the state fiscal year.**

38 **STEP 3: Subtract the amount determined under STEP 1 from**
39 **the amount determined under STEP 2.**

40 (c) A disproportionate share payment under this section is
41 deemed comprised of:

42 (1) the amounts certified for the community mental health
43 center disproportionate share provider under
44 IC 12-15-18-5.1(e); and

45 (2) the amount paid to the community mental health center

- 1 disproportionate share provider under subsection (b).
- 2 (d) A disproportionate share payment under this section may
- 3 not exceed the community mental health center disproportionate
- 4 share provider's institution specific limit under 42 U.S.C.
- 5 1396r-4(g). The office shall determine the institution specific limit
- 6 for a state fiscal year by taking into account data provided by the
- 7 community mental health center disproportionate share provider
- 8 that is considered reliable by the office based on:
- 9 (1) a periodic audit system;
- 10 (2) the use of trending factors; and
- 11 (3) an appropriate base year determined by the office.
- 12 (e) The office may require independent certification of data
- 13 provided by a community mental health center disproportionate
- 14 share provider to the office in order to determine the community
- 15 mental health center disproportionate share provider's institution
- 16 specific limit.
- 17 (f) Subjection to section 10(b)(2) and 10(b)(3) of this chapter,
- 18 payments under this section may not result in total
- 19 disproportionate share payments that are in excess of the state
- 20 limit on these expenditures for institutions for mental diseases
- 21 under 42 U.S.C. 1396r-4(h). The office may reduce payments due
- 22 under this section for a state fiscal year, on a pro rata basis, if the
- 23 reduction is necessary to avoid exceeding the state limit on
- 24 disproportionate share expenditures for institutions for mental
- 25 diseases.
- 26 (g) Subject to section 10(b)(3) of this chapter, total
- 27 disproportionate share payments under this section for a state
- 28 fiscal year must equal ten million dollars (\$10,000,000). However,
- 29 this amount may be reduced based upon the amounts certified for
- 30 community mental health center disproportionate share providers
- 31 under IC 12-15-18-5.1(e). The office may reduce the payments due
- 32 under this section, on a pro rata basis, based upon the institution
- 33 specific limits under 42 U.S.C. 1396r-4(g) of each community
- 34 mental health center disproportionate share provider eligible for
- 35 a payment under this section for that state fiscal year if the
- 36 reduction is necessary to avoid exceeding the total payment limit
- 37 established under this subsection.
- 38 (h) The office may recover a payment made under subsection
- 39 (b) from the community mental health center disproportionate
- 40 share provider if federal financial participation is disallowed for
- 41 the funds certified under IC 12-15-18-5.1(e) upon which the
- 42 payment was based.
- 43 SECTION 19. IC 12-15-19-10, AS AMENDED BY P.L.283-2001,
- 44 SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

1 JULY 1, 2004]: Sec. 10. (a) For the state fiscal year beginning July 1,
 2 1999, and ending June 30, 2000, the state shall pay providers as
 3 follows:

4 (1) The state shall make disproportionate share provider payments
 5 to municipal disproportionate share providers qualifying under
 6 IC 12-15-16-1(b) until the state exceeds the state disproportionate
 7 share allocation (as defined in 42 U.S.C. 1396r-4(f)(2)).

8 (2) After the state makes all payments under subdivision (1), if the
 9 state fails to exceed the state disproportionate share allocation (as
 10 defined in 42 U.S.C. 1396r-4(f)(2)), or the state limit on
 11 disproportionate share expenditures for institutions for mental
 12 diseases (as defined in 42 U.S.C. 1396r-4(h)), the state shall make
 13 community mental health center disproportionate share provider
 14 payments to providers qualifying under IC 12-15-16-1(c). The
 15 total paid to the qualified community mental health center
 16 disproportionate share providers under section 9(a) of this
 17 chapter, including the amount of expenditures certified as being
 18 eligible for federal financial participation under IC 12-15-18-5.1(e),
 19 must be at least six million dollars (\$6,000,000).

20 (3) After the state makes all payments under subdivision (2), if the
 21 state fails to exceed the state disproportionate share allocation (as
 22 defined in 42 U.S.C. 1396r-4(f)(2)), the state shall make
 23 disproportionate share provider payments to providers qualifying
 24 under IC 12-15-16-1(a).

25 (b) For state fiscal years beginning after June 30, 2000, the state
 26 shall pay providers as follows:

27 (1) The state shall make municipal disproportionate share provider
 28 payments to providers qualifying under IC 12-15-16-1(b) until the
 29 state exceeds the state disproportionate share allocation (as defined
 30 in 42 U.S.C. 1396r-4(f)(2)).

31 (2) After the state makes all payments under subdivision (1), if the
 32 state fails to exceed the state disproportionate share allocation (as
 33 defined in 42 U.S.C. 1396r-4(f)(2)), the state shall make
 34 disproportionate share provider payments to providers qualifying
 35 under IC 12-15-16-1(a). **In a state fiscal year beginning after**
 36 **June 30, 2004, the total disproportionate share payments**
 37 **made to a state mental health institution described in**
 38 **IC 12-24-1-3 must be limited to an amount necessary to**
 39 **permit disproportionate share payments to be made under**
 40 **section 9.5 of this chapter without exceeding the state limit**
 41 **on disproportionate share expenditures for institutions for**
 42 **mental diseases under 42 U.S.C. 1396r-4(h).**

43 (3) After the state makes all payments under subdivision (2), if the
 44 state fails to exceed the state disproportionate share allocation (as
 45 defined in 42 U.S.C. 1396r-4(f)(2)), or the state limit on
 46 disproportionate share expenditures for institutions for mental

1 diseases (as defined in 42 U.S.C. 1396r-4(h)), the state shall make
 2 ~~community mental health center disproportionate share provider~~
 3 ~~payments to providers qualifying under IC 12-15-16-1(c).~~
 4 **disproportionate share payments under section 9.5 of this**
 5 **chapter."**

6 Page 38, between lines 30 and 31, begin a new paragraph and insert:
 7 "SECTION 24. [EFFECTIVE UPON PASSAGE] **(a) Money paid to**
 8 **the department of education under IC 4-33-12-7, as amended by**
 9 **this act, is in addition to any monies appropriated to the**
 10 **department of education for full day kindergarten under**
 11 **P.L.224-2003.**

12 **(b) This SECTION expires July 1, 2005."**

13 Renumber all SECTIONS consecutively.

(Reference is to EHB 1365 as printed February 20, 2003.)

Senator SIMPSON