

Adopted	Rejected
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COMMITTEE REPORT

YES:	12
NO:	0

MR. SPEAKER:

*Your Committee on Public Health, to which was referred House Bill 1519, 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:*

- 1 Page 1, line 1, delete "Before July 1, 2006,".
- 2 Page 1, delete lines 2 through 18.
- 3 Page 2, delete lines 1 though 17.
- 4 Page 2, line 18, delete "(c)".
- 5 Run in page 1, line 1 through page 2, line 18.
- 6 Page 2, between lines 37 and 38, begin a new line block indented
- 7 and insert:
- 8 **"(4) Require daily rate components for residential based**
- 9 **setting based on a three (3) resident to one (1) staff ratio,**
- 10 **unless there is a behavioral or medical condition, day services,**
- 11 **case management, or system infrastructure for training, crisis**
- 12 **management, and other services.**
- 13 **(5) Require an annual or a biennial service agreement among**
- 14 **the state, the provider, and the developmentally disabled**
- 15 **individual (as defined in IC 12-7-2-62) that formalizes the**

1 **commitment of each party to the placement and the**
 2 **implementation of the individualized support plan.**

3 **(6) Allow termination or modification of the service agreement**
 4 **upon death, moving out of state, abuse or neglect, or**
 5 **substantial change of the developmentally disabled individual**
 6 **(as defined in IC 12-7-2-62) and an appropriate payment**
 7 **adjustment or penalty for early termination by the state, the**
 8 **provider, and the developmentally disabled individual for any**
 9 **other reason.**

10 **(7) Require annual cost reporting to determine the base rates**
 11 **for the funding matrix under subdivision (2). "**

12 Page 2, line 38, delete "(d)" and insert "(b)".

13 Page 2, line 42, after "is" insert "required to be".

14 Page 3, after line 12, begin a new paragraph and insert:

15 "SECTION 3. [EFFECTIVE JULY 1, 2005] (a) **Before July 1,**
 16 **2006, the office of the secretary of family and social services shall**
 17 **adopt rules under IC 4-22-2 to add and amend rules under 405**
 18 **IAC to govern fiscal audits completed by:**

19 (1) **the office of the secretary of family and social services**
 20 **audit staff; and**

21 (2) **agencies contracted by the office of the secretary of family**
 22 **and social services to complete fiscal audits.**

23 (b) **Before July 1, 2006, the office of the secretary of family and**
 24 **social services shall adopt rules under IC 4-22-2 to add and amend**
 25 **rules under 405 IAC to require that the office of the secretary of**
 26 **family and social services' audit rules for providers of services to**
 27 **of the to a developmentally disabled individual (as defined in**
 28 **IC 12-7-2-62) must meet the following requirements:**

29 (1) **All classifications of providers are required to be audited.**

30 (2) **The audit process must be written, be formalized, and have**
 31 **specific time schedules.**

32 (3) **Not less than fourteen (14) days advanced notice must be**
 33 **given before:**

34 (A) **an audit; and**

35 (B) **any papers required to be provided during the audit.**

36 (4) **The purpose and content of an exit conference must be**
 37 **defined.**

38 (5) **The purpose, scope, and schedule for the issuance of audit**

- 1 reports must be defined.
- 2 **(6) Except for cases of fraud, an audit must be completed not**
3 **more than two (2) years after:**
- 4 **(A) the end of the grant period; or**
5 **(B) the end of the provider's fiscal year;**
6 **whichever is later.**
- 7 **(7) A formal appeal process that includes:**
- 8 **(A) the issuance of a preliminary finding;**
9 **(B) a time for the provider to respond to the preliminary**
10 **findings and submit additional information for review**
11 **before final findings are issued; and**
12 **(C) appeal procedures with deadlines.**
- 13 **(c) Before July 1, 2006, the division of disability, aging, and**
14 **rehabilitative services shall adopt rules under IC 4-22-2 that**
15 **comply with rules adopted under subsections (a) and (b) and that**
16 **require the following:**
- 17 **(1) Audit and program staff of the division of disability, aging,**
18 **and rehabilitative services to jointly approve issued service**
19 **definitions and bulletins that impact potential audit issues.**
- 20 **(2) Development of a comprehensive bureau of developmental**
21 **disabilities services provider manual for state and waiver**
22 **funded services that is comparable to the Medicaid provider**
23 **manual.**
- 24 **(3) All revisions to the manual created under subdivision (2)**
25 **and rules adopted or amended may be implemented only on**
26 **the first day of a month.**
- 27 **(4) Develop consistent definition of services and**
28 **documentation standards regardless of the funding source.**
- 29 **(5) Develop written documentation standards, including**
30 **acceptable electronic documentation formats.**
- 31 **(6) Implement an automated claims system for all types of**
32 **bureau of developmental disabilities services.**
- 33 **(7) Provide initial and periodic training of a provider's**
34 **financial staff by the division of disability, aging, and**

1 **rehabilitative services concerning accounting, billing, and audit**
2 **procedures.**

3 **(d) This SECTION expires July 1, 2007. "**
 (Reference is to HB 1519 as introduced.)

and when so amended that said bill do pass.

Representative Becker