

Adopted	Rejected
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# COMMITTEE REPORT

<b>YES:</b>	<b>12</b>
<b>NO:</b>	<b>0</b>

## 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.**

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Representative Becker