
HOUSE BILL No. 1440

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3-2-1; IC 6-3-7-3.

Synopsis: Medicaid coverage of pregnant women and children. Requires the office of Medicaid policy and planning to apply for a state Medicaid plan amendment that would provide: (1) certain medical coverage for pregnant women who have been residents of Indiana for at least 12 months; and (2) health care services for children living in Indiana who are less than 13 years of age; regardless of their family income. Increases the corporate income tax rate to fund the additional coverage. Provides for a refund of the amount collected if the federal government does not approve the plan amendment.

Effective: July 1, 2005; January 1, 2006.

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January 18, 2005, read first time and referred to Committee on Public Health.

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First Regular Session 114th General Assembly (2005)

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 2004 Regular Session of the General Assembly.

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HOUSE BILL No. 1440



A BILL FOR AN ACT to amend the Indiana Code concerning Medicaid.

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

1 SECTION 1. IC 6-3-2-1 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JANUARY 1, 2006]: Sec. 1. (a) Each taxable year, a tax
3 at the rate of three and four-tenths percent (3.4%) of adjusted gross
4 income is imposed upon the adjusted gross income of every resident
5 person, and on that part of the adjusted gross income derived from
6 sources within Indiana of every nonresident person.

7 (b) Except as provided in section 1.5 of this chapter, each taxable
8 year, a tax at the rate of ~~eight nine~~ and five-tenths percent (~~8.5%~~)
9 **(9.5%)** of adjusted gross income is imposed on that part of the adjusted
10 gross income derived from sources within Indiana of every corporation.

11 SECTION 2. IC 6-3-7-3 IS AMENDED TO READ AS FOLLOWS
12 [EFFECTIVE JANUARY 1, 2006]: Sec. 3. (a) All revenues derived
13 from collection of the adjusted gross income tax imposed on
14 corporations shall be deposited in the state general fund. **Ten and
15 fifty-two hundredths percent (10.52%) of the revenue shall be
16 placed in a special account in the state general fund for the purpose
17 of funding under the state Medicaid program health care coverage**



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for:

- (1) pregnant women; and
- (2) children less than thirteen (13) years of age;

who are eligible for Medicaid coverage under a Medicaid waiver that extends eligibility under the Medicaid program to individuals whose family income exceeds the maximum family income for individuals eligible for Medicaid coverage in the absence of the Medicaid waiver. After December 31, 2005, the budget agency shall determine on an annual basis whether coverage for these services under a Medicaid waiver has been approved by the United States Department of Health and Human Services. If the budget agency determines that coverage of these services under a Medicaid waiver has not been approved, money in the account shall be refunded to each corporation having any tax liability in the year in proportion to the total tax liability of all corporations with taxable years ending in that year. Refunds shall be made under the schedule and in the manner prescribed by the department.

(b) All revenues derived from collection of the adjusted gross income tax imposed on persons shall be deposited as follows:

- (1) Eighty-six percent (86%) in the state general fund.
- (2) Fourteen percent (14%) in the property tax replacement fund.

SECTION 3. [EFFECTIVE JANUARY 1, 2006] IC 6-3-2-1 and IC 6-3-7-3, both as amended by this act, apply only to taxable years beginning after December 31, 2005.

SECTION 4. [EFFECTIVE JULY 1, 2005] (a) As used in this SECTION, "office" refers to the office of Medicaid policy and planning established by IC 12-8-6-1.

(b) The office shall apply to the United States Department of Health and Human Services for approval to amend the state Medicaid plan to provide coverage of the following services, regardless of the individual's family income:

- (1) Coverage for pregnancy related medical services for an individual who:
 - (A) is pregnant; and
 - (B) has been a resident of Indiana for at least twelve (12) months.
- (2) Coverage for health care services for a child living in Indiana who is less than thirteen (13) years of age.

(c) The office may not implement the amendment until the office files an affidavit with the governor attesting that the amendment applied for under this SECTION is in effect. The office shall file the affidavit under this subsection not later than five (5) days after the

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1 office is notified by the United States Department of Health and
 2 Human Services that the amendment is approved.
 3 (d) If the office receives approval for the amendment under this
 4 SECTION and the governor receives the affidavit filed under
 5 subsection (c), the office shall implement the amendment not more
 6 than sixty (60) days after the governor receives the affidavit.
 7 (e) The office may adopt rules under IC 4-22-2 necessary to
 8 implement this SECTION.
 9 (f) This SECTION expires December 31, 2012.
 10 SECTION 5. [EFFECTIVE JULY 1, 2005] (a) Notwithstanding
 11 IC 12-15-2-13 and regardless of the individual's family income, the
 12 coverage described under SECTION 4 of this act is extended to a
 13 pregnant individual sixty (60) days after the governor receives the
 14 affidavit required under SECTION 4 of this act.
 15 (b) This SECTION expires December 31, 2008.
 16 SECTION 6. [EFFECTIVE JULY 1, 2005] (a) Notwithstanding
 17 IC 12-15-2-14 and IC 12-17.6-3-2 and regardless of the individual's
 18 family income, the coverage described in SECTION 4 of this act is
 19 extended to a child who is less than thirteen (13) years of age sixty
 20 (60) days after the governor receives the affidavit required under
 21 SECTION 4 of this act.
 22 (b) This SECTION expires December 31, 2008.

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