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# HOUSE BILL No. 1772

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 12-15-19.

**Synopsis:** Mental health disproportionate share funding. Amends disproportionate share payment provisions for community mental health center disproportionate share providers.

**Effective:** July 1, 2004 (retroactive).

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**Bauer**

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January 19, 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. 1772



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

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

1 SECTION 1. IC 12-15-19-9.5 IS ADDED TO THE INDIANA  
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
3 [EFFECTIVE JULY 1, 2004 (RETROACTIVE)]: **Sec. 9.5. (a) For**  
4 **each state fiscal year ending after June 30, 2004, a community**  
5 **mental health center disproportionate share provider that is:**  
6 (1) **freestanding from a hospital licensed under IC 16-21; and**  
7 (2) **not operated as part of a hospital licensed under IC 16-21;**  
8 **shall receive a disproportionate share payment as provided in this**  
9 **section.**

10 (b) **Subject to subsection (f), a community mental health center**  
11 **disproportionate share provider described in subsection (a) shall**  
12 **receive a payment in the amount determined under STEP THREE**  
13 **of the following formula:**

14 **STEP ONE: Determine the amounts certified for the**  
15 **community mental health center disproportionate share**  
16 **provider under IC 12-15-18-5.1(e).**

17 **STEP TWO: Divide the amount determined under STEP**



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

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1 specific limits under 42 U.S.C. 1396r-4(g) of each community  
2 mental health center disproportionate share provider eligible for  
3 a payment under this section for that state fiscal year, if the  
4 reduction is necessary to avoid exceeding the total payment limit  
5 established under this subsection.

6 (h) The office may recover a payment made under subsection  
7 (b) from the community mental health center disproportionate  
8 share provider if federal financial participation is disallowed for  
9 the funds certified under IC 12-15-18-5.1(e) upon which the  
10 payment was based.

11 SECTION 2. IC 12-15-19-10 IS AMENDED TO READ AS  
12 FOLLOWS [EFFECTIVE JULY 1, 2004 (RETROACTIVE)]: Sec. 10.

13 (a) For the state fiscal year beginning July 1, 1999, and ending June 30,  
14 2000, the state shall pay providers as follows:

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

19 (2) After the state makes all payments under subdivision (1), if  
20 the state fails to exceed the state disproportionate share allocation  
21 (as defined in 42 U.S.C. 1396r-4(f)(2)), or the state limit on  
22 disproportionate share expenditures for institutions for mental  
23 diseases (as defined in 42 U.S.C. 1396r-4(h)), the state shall make  
24 community mental health center disproportionate share provider  
25 payments to providers qualifying under IC 12-15-16-1(c). The  
26 total paid to the qualified community mental health center  
27 disproportionate share providers under section 9(a) of this  
28 chapter, including the amount of expenditures certified as being  
29 eligible for federal financial participation under  
30 IC 12-15-18-5.1(e), must be at least six million dollars  
31 (\$6,000,000).

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

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

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

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1 (2) After the state makes all payments under subdivision (1), if  
 2 the state fails to exceed the state disproportionate share allocation  
 3 (as defined in 42 U.S.C. 1396r-4(f)(2)), the state shall make  
 4 disproportionate share provider payments to providers qualifying  
 5 under IC 12-15-16-1(a). **Beginning in a state fiscal year ending**  
 6 **after June 30, 2004, the total disproportionate share payments**  
 7 **made to a state mental health institution described in**  
 8 **IC 12-24-1-3 must be limited to an amount necessary to**  
 9 **permit disproportionate share payments to be made under**  
 10 **section 9.5 of this chapter without exceeding the state limit on**  
 11 **disproportionate share expenditures for institutions for**  
 12 **mental diseases under 42 U.S.C. 1396r-4(h).**  
 13 (3) After the state makes all payments under subdivision (2), if  
 14 the state fails to exceed the state disproportionate share allocation  
 15 (as defined in 42 U.S.C. 1396r-4(f)(2)), or the state limit on  
 16 disproportionate share expenditures for institutions for mental  
 17 diseases (as defined in 42 U.S.C. 1396r-4(h)), the state shall make  
 18 community mental health center disproportionate share provider  
 19 payments to providers qualifying under IC 12-15-16-1(c).  
 20 **disproportionate share payments under section 9.5 of this**  
 21 **chapter.**  
 22 SECTION 3. An emergency is declared for this act.

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