

PREVAILED	Roll Call No. _____
FAILED	Ayes _____
WITHDRAWN	Noes _____
RULED OUT OF ORDER	

# HOUSE MOTION \_\_\_\_\_

MR. SPEAKER:

I move that House Bill 1008 be amended to read as follows:

1           Page 1, between the enacting clause and line 1, begin a new  
2 paragraph and insert:  
3           "SECTION 1. IC 6-3.1-31 IS ADDED TO THE INDIANA CODE  
4 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
5 JULY 1, 2007]:  
6           **Chapter 31. Employee Wellness Program Tax Credit**  
7           **Sec. 1. As used in this chapter, "pass through entity" means:**  
8               (1) a corporation that is exempt from the adjusted gross  
9 income tax under IC 6-3-2-2.8(2);  
10              (2) a partnership;  
11              (3) a limited liability company; or  
12              (4) a limited liability partnership.  
13           **Sec. 2. As used in this chapter, "state tax liability" means a**  
14 **taxpayer's total tax liability that is incurred under:**  
15              (1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);  
16              (2) IC 6-5.5 (the financial institutions tax); and  
17              (3) IC 27-1-18-2 (the insurance premiums tax);  
18 **as computed after the application of the credits that under**  
19 **IC 6-3.1-1-2 are to be applied before the credit provided by this**  
20 **chapter.**  
21           **Sec. 3. As used in this chapter, "taxpayer" means an individual**  
22 **or entity that has any state tax liability.**  
23           **Sec. 4. As used in this chapter, "wellness program" means a**  
24 **program that rewards:**

1 (1) overweight employees for losing weight and all employees  
2 for maintaining a healthy weight; or

3 (2) employees for not using tobacco.

4 **Sec. 5. A taxpayer is entitled to a credit against the taxpayer's**  
5 **state tax liability for a taxable year in an amount equal to fifty**  
6 **percent (50%) of the costs incurred by the taxpayer during the**  
7 **taxable year for providing a wellness program for the taxpayer's**  
8 **employees during the taxable year.**

9 **Sec. 6. If a pass through entity is entitled to a credit under**  
10 **section 5 of this chapter but does not have state tax liability against**  
11 **which the tax credit may be applied, a shareholder, partner, or**  
12 **member of the pass through entity is entitled to a tax credit equal**  
13 **to:**

14 (1) the tax credit determined for the pass through entity for  
15 the taxable year; multiplied by

16 (2) the percentage of the pass through entity's distributive  
17 income to which the shareholder, partner, or member is  
18 entitled.

19 **Sec. 7. (a) If the credit provided by this chapter exceeds the**  
20 **taxpayer's state tax liability for the taxable year for which the**  
21 **credit is first claimed, the excess may be carried forward to**  
22 **succeeding taxable years and used as a credit against the**  
23 **taxpayer's state tax liability during those taxable years. Each time**  
24 **that the credit is carried forward to a succeeding taxable year, the**  
25 **credit is to be reduced by the amount that was used as a credit**  
26 **during the immediately preceding taxable year.**

27 (b) A taxpayer is not entitled to any carryback or refund of any  
28 unused credit.

29 **Sec. 8. To receive the credit provided by this chapter, a taxpayer**  
30 **must claim the credit on the taxpayer's state tax return or returns**  
31 **in the manner prescribed by the department. The taxpayer shall**  
32 **submit to the department all information that the department**  
33 **determines is necessary for the calculation of the credit provided**  
34 **by this chapter."**

35 Page 15, between lines 26 and 27, begin a new paragraph and insert:  
36 "SECTION 20. [EFFECTIVE UPON PASSAGE] (a) As used in  
37 this SECTION, "corporation" refers to the health and hospital  
38 corporation of Marion County.

39 (b) As used in this SECTION, "office" refers to the office of  
40 Medicaid policy and planning established by IC 12-8-6-1.

41 (c) As used in this SECTION, "program" refers to the health  
42 care management program established under subsection (d).

43 (d) Before June 1, 2008, the office shall establish a  
44 demonstration project for a health care management program to  
45 allow the office to do the following:

46 (1) Offer to Medicaid recipients who reside in Marion County  
47 the opportunity to receive Medicaid services provided solely

1 by the corporation, including any clinic operated by the  
2 corporation. The offer must be extended to a number of  
3 Medicaid recipients that is sufficiently large to result in a  
4 percentage of recipients accepting the offer to provide  
5 meaningful data to guide the establishment and  
6 implementation of the program under subdivision (2).

7 (2) Require the corporation to establish and implement a  
8 program of health care management applying to all Medicaid  
9 recipients in Indiana and modeled on the United States  
10 Department of Veterans Affairs Quality Enhancement  
11 Research Initiative.

12 (3) Include in the program payment incentives for:

13 (A) health care providers; and

14 (B) administrators;

15 of the corporation to reward the achievement of objectives  
16 established for the program.

17 (e) The office and the corporation shall study the impact of  
18 implementing the program under subsection (d)(2), including the  
19 impact the program has on the:

20 (1) quality; and

21 (2) cost;

22 of health care provided to Medicaid recipients in Indiana.

23 (f) The office shall consult with the Regenstrief Institute for  
24 Health Care in developing, implementing, and studying the  
25 program.

26 (g) The office shall apply to the United States Department of  
27 Health and Human Services for any amendment to the state  
28 Medicaid plan or demonstration waiver that is needed to  
29 implement this SECTION. The corporation shall assist the office  
30 in requesting the amendment or demonstration waiver and, if the  
31 amendment or waiver is approved, establishing and implementing  
32 the amendment or waiver.

33 (h) The office may not implement the amendment or waiver  
34 until the office files an affidavit with the governor attesting that the  
35 amendment or waiver applied for under this SECTION is in effect.  
36 The office shall file the affidavit under this subsection not more  
37 than five (5) days after the office is notified that the amendment or  
38 waiver is approved.

39 (i) If the office receives approval for the amendment or waiver  
40 under this SECTION from the United States Department of Health  
41 and Human Services and the governor receives the affidavit filed  
42 under subsection (h), the office shall implement the amendment or  
43 waiver not more than sixty (60) days after the governor receives  
44 the affidavit.

45 (j) The office may adopt rules under IC 4-22-2 to implement this  
46 SECTION.

47 (k) The office shall, before July 1 of each year, report to the

1 legislative council in an electronic format under IC 5-14-6  
 2 concerning the demonstration project developed and implemented  
 3 under this SECTION.

4 (l) This SECTION expires January 1, 2013.

5 SECTION 21. [EFFECTIVE UPON PASSAGE] (a) As used in this  
 6 SECTION, "corporation" refers to the health and hospital  
 7 corporation of Marion County.

8 (b) As used in this SECTION, "insurer" includes the following:

9 (1) An insurer (as defined in IC 27-8-11-1).

10 (2) An administrator licensed under IC 27-1-25.

11 (3) A health maintenance organization (as defined in  
 12 IC 27-13-1-19).

13 (4) A person that pays or administers claims on behalf of an  
 14 insurer or a health maintenance organization.

15 (c) As used in this SECTION, "office" refers to the office of  
 16 Medicaid policy and planning established by IC 12-8-6-1.

17 (d) As used in this SECTION, "small employer" has the  
 18 meaning set forth in IC 27-8-15-14.

19 (e) Before June 1, 2008, the office shall develop, with the  
 20 corporation, a pilot project through which small employers that  
 21 are unable to afford to offer health care coverage for employees of  
 22 the small employers may obtain access to affordable health care  
 23 coverage for the employees.

24 (f) The office may adopt rules under IC 4-22-2 to implement this  
 25 SECTION.

26 (g) If the pilot project results in the availability of health care  
 27 coverage to small employer groups through the pilot project at a  
 28 premium rate that is at least twenty percent (20%) less than a  
 29 comparable health benefit plan available to small employer groups  
 30 in Indiana, an insurer may not enter into or enforce an agreement  
 31 with the corporation that contains a provision that:

32 (1) prohibits, or grants the insurer an option to prohibit, the  
 33 corporation from contracting with another insurer to accept  
 34 lower payment for health care services than the payment  
 35 specified in the agreement;

36 (2) requires, or grants the insurer an option to require, the  
 37 corporation to accept a lower payment from the insurer if the  
 38 corporation agrees with another insurer to accept lower  
 39 payment for health care services;

40 (3) requires, or grants the insurer an option to require,  
 41 termination or renegotiation of the agreement if the  
 42 corporation agrees with another insurer to accept lower  
 43 payment for health care services; or

44 (4) requires the corporation to disclose the corporation's  
 45 reimbursement rates under contracts with other insurers.

46 (h) The office shall report to the legislative council in an  
 47 electronic format under IC 5-14-6 concerning the development and

1 **implementation of a pilot project under this SECTION before**  
2 **December 1, 2008.**

3 **(i) This SECTION expires December 31, 2013.**

4 SECTION 22. [EFFECTIVE JULY 1, 2007] IC 6-3.1-31, as added  
5 **by this act, applies to taxable years beginning after December 31,**  
6 **2007."**

7 Renumber all SECTIONS consecutively.

(Reference is to HB 1008 as printed February 20, 2007.)

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Representative Orentlicher