

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WITHDRAWN	Noes _____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

HOUSE MOTION _____

MR. SPEAKER:

Frizzell

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

- 1 Page 13, between lines 29 and 30, begin a new paragraph and
- 2 insert:
- 3 "SECTION 16. IC 12-15-44 IS ADDED TO THE INDIANA
- 4 CODE AS A NEW CHAPTER TO READ AS FOLLOWS
- 5 [EFFECTIVE JULY 1, 2007]:
- 6 **Chapter 44. Healthier Indiana Insurance Program**
- 7 **Sec. 1. As used in this chapter, "custodial parent" means**
- 8 **the individual with whom a child resides and who is related to the**
- 9 **child in one (1) of the following manners:**
- 10 **(1) Legal or biological mother.**
- 11 **(2) Legal or biological father.**
- 12 **(3) A blood relative within the fifth degree of**
- 13 **relation, including an individual who is related by**
- 14 **half blood.**
- 15 **(4) Stepfather, stepmother, stepbrother, or**
- 16 **stepsister.**
- 17 **(5) An individual who legally adopts a child or the**
- 18 **child's parent, as well as relatives of the adoptive**
- 19 **parents.**
- 20 **(6) Legal spouses of an individual described in this**
- 21 **subsection.**
- 22 **Sec. 2. As used in this chapter, "preventative care services"**
- 23 **means care that is provided to an individual for the purpose of**
- 24 **preventing disease, diagnosing disease, or promoting good health.**

1 **Sec. 3. As used in this chapter, "program" refers to the**
 2 **healthier Indiana insurance program established by section 4 of**
 3 **this chapter.**

4 **Sec. 4. (a) The healthier Indiana insurance program is**
 5 **established.**

6 **(b) The office shall administer the program. The**
 7 **department of insurance and the office of the secretary shall**
 8 **provide oversight on the marketing practices of the program.**

9 **(c) The following requirements apply to funds**
 10 **appropriated by the general assembly to the program:**

11 **(1) At least ninety percent (90%) must be used to**
 12 **fund payment for health care services.**

13 **(2) Not more than ten percent (10%) may be used**
 14 **to fund:**

15 **(A) administrative costs; and**

16 **(B) any profit derived from a contract**
 17 **entered into by a person to provide**
 18 **services for the program.**

19 **(d) The program must include the following in a manner**
 20 **and to the extent determined by the office:**

21 **(1) Mental health care services.**

22 **(2) Inpatient hospital services.**

23 **(3) Prescription drug coverage.**

24 **(4) Emergency room services.**

25 **(5) Physician office services.**

26 **(6) Diagnostic services.**

27 **(7) Outpatient services, including therapy services.**

28 **(8) Disease management.**

29 **(9) Home health services.**

30 **(10) Urgent care center services.**

31 **Sec. 5. (a) An individual is eligible for the program if the**
 32 **individual meets the following requirements:**

33 **(1) The individual is at least eighteen (18) years of**
 34 **age and less than sixty-five (65) years of age.**

35 **(2) The individual is a United States citizen and**
 36 **has been a resident of Indiana for at least twelve**
 37 **(12) months.**

38 **(3) The individual has an annual household income**
 39 **of:**

40 **(A) not more than two hundred percent**
 41 **(200%) of the federal income poverty level**
 42 **if the individual is a custodial parent; or**

43 **(B) at least one hundred percent (100%)**
 44 **and not more than two hundred percent**
 45 **(200%) of the federal income poverty level**
 46 **if the individual is not a custodial parent.**

47 **(4) The individual is not eligible for health**

- 1 insurance coverage through the individual's
2 employer.
- 3 (5) The individual has not had health insurance
4 coverage for at least six (6) months.
- 5 (b) The following individuals are not eligible for this
6 program:
- 7 (1) An individual who participates in the federal
8 Medicare program (42 U.S.C. 1395 et seq.).
- 9 (2) A pregnant woman for purposes of pregnancy
10 related services.
- 11 (3) An individual who is eligible for the Medicaid
12 program as a disabled person.
- 13 Sec. 6. (a) In order to participate in the program, an
14 individual shall do the following:
- 15 (1) Apply for the program on a form prescribed by
16 the office. The office may develop and allow a joint
17 application for a household.
- 18 (2) If the individual is approved by the office to
19 participate in the program, contribute to the
20 individual's health care account:
- 21 (A) at least one thousand one hundred
22 dollars (\$1,100) per year, but not more
23 than five percent (5%) of the individual's
24 annual household income; or
- 25 (B) one thousand one hundred dollars
26 (\$1,100) per year less the individual's
27 contributions to the Medicaid program
28 under IC 12-15, the children's health
29 insurance program under IC 12-17.6, or
30 the Medicare program (42 U.S.C. 1395 et
31 seq.), as determined by the office.
- 32 (b) The state shall contribute the difference into the
33 individual's account if the individual's contribution of five percent
34 (5%) of the individual's annual income is less than the required one
35 thousand one hundred dollars (\$1,100).
- 36 (c) If the individual does not make the individual's
37 contributions to the program within thirty (30) days of the
38 required payment, the individual may be terminated from
39 participating in the program. The individual shall receive written
40 notice before the individual is terminated from the program.
- 41 (d) After termination from the program under subsection
42 (c), the individual may not reapply to participate in the program
43 for eighteen (18) months.
- 44 (e) An individual may be held responsible under the
45 program for receiving nonemergency services in an emergency
46 room setting. This may include requiring the individual to pay for
47 services received in the emergency room with money outside the

1 individual's health care account.

2 **Sec. 7. (a) A participant must have a health care account in**
 3 **which contributions are made by the participant, an employer, or**
 4 **the office.**

5 **(b) The minimum amount in the account is the amount**
 6 **contributed by the individual and the state as described in section**
 7 **6 of this chapter.**

8 **(c) The account is to be used for paying the individual's**
 9 **deductible for health care services in the program.**

10 **(d) The individual may contribute to the individual's health**
 11 **care account through the following means:**

12 **(1) By the employer withholding or causing to be**
 13 **withheld from the participating employee's wages**
 14 **or salary, after taxes are taken out of the wages or**
 15 **salary, the participating employee's required share**
 16 **described in this chapter and distributed equally**
 17 **throughout the calendar year.**

18 **(2) By submitting the individual's required share**
 19 **to the office to deposit into the individual's account**
 20 **in a manner prescribed by the office.**

21 **(3) Any other means determined by the office.**

22 **(e) An employer may not contribute more than fifty**
 23 **percent (50%) of the individual's required share to the health care**
 24 **account.**

25 **Sec. 8. (a) The program must cover preventative care**
 26 **services, as determined by the office, for a participant of not more**
 27 **than five hundred dollars (\$500) per year. This amount shall be**
 28 **paid by the state at no cost to the participant.**

29 **(b) The office shall provide a participant with a list of**
 30 **health care services that will qualify as preventative care services**
 31 **for the age, gender, and preexisting conditions of the participant.**
 32 **The office shall consult the federal Centers for Disease Control and**
 33 **Prevention for a list of recommended preventative care services.**

34 **Sec. 9. (a) The office shall determine the health care**
 35 **services covered under the program.**

36 **(b) The program is not an entitlement program, and the**
 37 **number of individuals who may participate in the program is**
 38 **dependent upon the funds appropriated for use for the plan.**

39 **Sec. 10. The program has the following per recipient**
 40 **coverage limitations:**

41 **(1) An annual individual maximum coverage**
 42 **limitation of three hundred thousand dollars**
 43 **(\$300,000).**

44 **(2) A lifetime individual maximum coverage of one**
 45 **million dollars (\$1,000,000).**

46 **Sec. 11. (a) An individual who is approved to participate in**
 47 **the program is eligible for a twelve (12) month period. Once the**

1 individual has been approved for participation, the individual may
 2 not be turned down for renewal into the program for the sole
 3 reason that the program has reached the maximum number of
 4 participants.

5 (b) If the individual chooses to renew participation in the
 6 program, the individual shall complete a renewal application, any
 7 necessary documentation, and submit the documentation and
 8 application on a form prescribed by the office to the office in order
 9 to continue participating in the program.

10 (c) If the individual chooses not to renew participation in
 11 the program, the individual may not reapply to participate in the
 12 program for at least eighteen (18) months.

13 **Sec. 12. (a) An insurer or health maintenance organization**
 14 **that has contracted with the office to provide health insurance for**
 15 **individuals under this program:**

- 16 (1) bears the risk of the health insurance program;
- 17 (2) is responsible for the claim processing under
- 18 the program;
- 19 (3) shall reimburse providers at a reimbursement
- 20 rate of:

21 (A) at least the federal Medicare
 22 reimbursement rate for the service
 23 provided; or

24 (B) at a rate of one hundred thirty percent
 25 (130%) of the Medicaid reimbursement
 26 rate for a service that does not have a
 27 Medicare reimbursement rate; and

- 28 (4) may not deny coverage to an eligible individual
 29 who has been approved by the office to participate
 30 in the program, except if the maximum coverage
 31 rates are met as described in section 10 of this
 32 chapter.

33 (b) An insurer or a health maintenance organization that
 34 has contracted with the office to provide health insurance under
 35 the program shall also offer to provide the same health insurance
 36 to the following:

- 37 (1) An individual who has an annual household
 38 income that is:

39 (A) not more than two hundred percent
 40 (200%) of the federal income poverty level
 41 but the individual is not eligible for the
 42 program because of the individual's
 43 income or because a slot is not available
 44 for the individual; or

45 (B) more than two hundred percent
 46 (200%) of the federal income poverty
 47 level.

- 1 **(2) The employees of an employer if:**
 2 **(A) the employees have an annual**
 3 **household income that is more than two**
 4 **hundred percent (200%) of the federal**
 5 **income poverty level; and**
 6 **(B) the employer:**
 7 **(i) has not offered employees**
 8 **health care insurance in the**
 9 **previous twelve (12) months; and**
 10 **(ii) pays at least fifty percent**
 11 **(50%) of the premium for the**
 12 **employer's employees.**

13 **The state does not provide funding for coverage provided under**
 14 **this subsection.**

15 **Sec. 13. (a) A participant in the program has coverage for**
 16 **a period of twelve (12) months. If the participant would like to**
 17 **continue participating in the program, the participant must submit**
 18 **an application for renewal with the office as required in section 11**
 19 **of this chapter.**

20 **(b) At the end an individual's twelve (12) month program**
 21 **period, and if the individual's health care account contains a**
 22 **balance of more than five hundred dollars (\$500), the individual**
 23 **may withdraw the money that exceeds five hundred dollars (\$500)**
 24 **from the account if the criteria specified in subsection (c) are met.**

25 **(c) The individual may only withdraw money from the**
 26 **individual's health care account if the following criteria are met:**

27 **(1) The account has more than five hundred**
 28 **dollars (\$500) remaining.**

29 **(2) The money being withdrawn is money that the**
 30 **individual, not the state, contributed to the account**
 31 **and may not exceed the total of the individual's**
 32 **contribution. The office shall determine this**
 33 **amount by prorating the remaining amount with**
 34 **the amount contributed by the individual.**

35 **(3) The individual has completed the individual's**
 36 **preventative care services.**

37 **(4) Either:**

38 **(A) the individual is no longer eligible for**
 39 **the program because the individual's**
 40 **annual household income exceeds the**
 41 **amounts set forth in section 5(a)(3) of this**
 42 **chapter; or**

43 **(B) the money is used to pay for dental**
 44 **services or vision services that are not**
 45 **covered under the program's plan.**

46 **(d) Money remaining in the account at the end of the**
 47 **individual's twelve (12) month period that is not withdrawn as**

- 1 **allowed under subsection (c):**
 2 **(1) remains in the account if the individual renews**
 3 **participation in the program, and the amount the**
 4 **individual needs to contribute to the account in the**
 5 **following program year is prorated based on the**
 6 **amount remaining in the account; or**
 7 **(2) is forfeited by the individual and reverts back**
 8 **to the state for deposit in the healthier Indiana**
 9 **insurance trust fund if the individual:**
 10 **(A) does not continue to participate in the**
 11 **program; or**
 12 **(B) is terminated from the program under**
 13 **section 6 of this chapter.**

14 **Sec. 14. (a) The healthier Indiana insurance trust fund is**
 15 **established for the following purposes:**

- 16 **(1) Administering a program created by the**
 17 **general assembly to provide health insurance for**
 18 **low income residents of the state under this**
 19 **chapter.**
 20 **(2) Providing copayments, preventative care**
 21 **services, and premiums for individuals enrolled in**
 22 **the program.**
 23 **(3) Funding tobacco use prevention and cessation**
 24 **programs and programs designed to promote the**
 25 **general health and well being of Indiana residents.**
 26 **(4) Promoting research in the health and life**
 27 **sciences field, including grants to universities for**
 28 **operating and capital expenses.**

29 **The fund is apart from the state general fund.**

30 **(b) The fund shall be administered by the office of the**
 31 **secretary of family and social services.**

32 **(c) The expenses of administering the fund shall be paid**
 33 **from money in the fund.**

34 **(d) The fund shall consist of the following:**

- 35 **(1) Cigarette tax revenues and tobacco products**
 36 **tax revenues designated by the general assembly to**
 37 **be part of the fund.**
 38 **(2) Other funds designated by the general**
 39 **assembly to be part of the fund.**
 40 **(3) Federal funds available for the purposes of the**
 41 **fund.**
 42 **(4) Gifts or donations to the fund.**

43 **(e) The treasurer of state shall invest the money in the fund**
 44 **not currently needed to meet the obligations of the fund in the same**
 45 **manner as other public money may be invested.**

46 **(f) Money must be appropriated before funds are available**
 47 **for use.**

1 **(g) Money in the fund does not revert to the state general**
 2 **fund at the end of any fiscal year.**

3 **(h) The fund is considered a trust fund for purposes of**
 4 **IC 4-9.1-1-7. Money may not be transferred, assigned, or otherwise**
 5 **removed from the fund by the state board of finance, the budget**
 6 **agency, or any other state agency.**

7 **Sec. 15. (a) The office may not:**

8 **(1) enroll applicants;**

9 **(2) approve any contracts with vendors to provide**
 10 **services or administer the program;**

11 **(3) incur costs other than those necessary to study**
 12 **and plan for the implementation of the program;**

13 **or**

14 **(4) create financial obligations for the state;**

15 **unless both of the conditions of subsection (b) are satisfied.**

16 **(b) The office may not take any action described in**
 17 **subsection (a) unless:**

18 **(1) there is a specific appropriation from the**
 19 **general assembly to implement the program; and**

20 **(2) after review by the budget committee, the**
 21 **budget agency approves an actuarial analysis that**
 22 **demonstrates sufficient funding is reasonably**
 23 **estimated to be available to operate the program**
 24 **for at least the following eight (8) years.**

25 **The actuarial analysis under subdivision (2) must clearly indicate**
 26 **the cost and revenue assumptions used in reaching the**
 27 **determination.**

28 **(c) The office may not operate the program in a way that**
 29 **would obligate the state to financial participation beyond the level**
 30 **of state appropriations authorized for this purpose.**

31 **(d) The office shall:**

32 **(1) modify limitations on participation;**

33 **(2) modify services provided;**

34 **(3) establish or modify copayments; or**

35 **(4) otherwise limit program expansion;**

36 **in order to manage the program within the spending authorized by**
 37 **the general assembly.**

38 **Sec. 16. The office may adopt rules under IC 4-22-2**
 39 **necessary to implement this chapter. The office may adopt**
 40 **emergency rules under IC 4-22-2-37.1 to implement the program**
 41 **on an emergency basis. The rules shall be consistent with the rules**
 42 **adopted for cost sharing under IC 12-17.9-8."**

43 Renumber all SECTIONS consecutively.

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

