

COMMITTEE REPORT

MADAM PRESIDENT:

The Senate Committee on Appropriations, to which was referred Senate Bill No. 460, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

- 1 Page 1, line 13, delete "section," and insert "**section and section 3.5**
- 2 **of this chapter,**".
- 3 Page 1, line 16, delete "IC 16-29-42)." and insert "**IC 16-29-4-2).**".
- 4 Page 2, between lines 11 and 12, begin a new line block indented
- 5 and insert:
- 6 "**(3) Follow the procedure set forth in section 3.5 of this**
- 7 **chapter.**".
- 8 Page 3, between lines 28 and 29, begin a new paragraph and insert:
- 9 "SECTION 4. IC 12-15-13-3.5 IS ADDED TO THE INDIANA
- 10 CODE AS A **NEW SECTION TO READ AS FOLLOWS**
- 11 **[EFFECTIVE JULY 1, 2011]: Sec. 3.5. (a) If the office of the**
- 12 **secretary or the office of the secretary's designee believes that an**
- 13 **overpayment to a noninstitutional provider has occurred, the office**
- 14 **of the secretary or the office of the secretary's designee may do the**
- 15 **following:**
- 16 **(1) Submit to the noninstitutional provider a draft of the audit**
- 17 **findings and accept comments from the noninstitutional**
- 18 **provider for consideration by the office of the secretary or the**
- 19 **office of the secretary's designee before the audit findings are**
- 20 **finalized.**
- 21 **(2) Finalize the audit findings and issue the preliminary**

1 **calculation of the overpayment.**

2 **(b) A noninstitutional provider that receives a preliminary**
 3 **calculation of the overpayment under subsection (a)(2) may**
 4 **request administrative reconsideration of the preliminary**
 5 **calculation of the overpayment not later than forty-five (45) days**
 6 **after the issuance of the preliminary calculation of the**
 7 **overpayment. The noninstitutional provider must request**
 8 **administrative reconsideration before filing an appeal.**

9 **(c) Following reconsideration of a noninstitutional provider's**
 10 **comments and if the office of the secretary or the office of the**
 11 **secretary's designee believes that an overpayment has occurred,**
 12 **the office of the secretary or the office of the secretary's designee**
 13 **shall notify the noninstitutional provider in writing that the office**
 14 **of the secretary or the office of the secretary's designee:**

15 **(1) believes that the overpayment has occurred; and**

16 **(2) is issuing a final calculation of the overpayment.**

17 **(d) If the noninstitutional provider is dissatisfied with the**
 18 **reconsideration response issued by the office of the secretary or the**
 19 **office of the secretary's designee, the noninstitutional provider may**
 20 **request a hearing by filing an appeal with the office of the**
 21 **secretary not later than sixty (60) days after the issuance of the**
 22 **reconsideration response."**

23 Page 8, line 19, delete "IC 16-28-16," and insert "**IC 16-29-6**,".

24 Page 8, line 20, delete "IC 16-28-16-2." and insert "**IC 16-29-6-1**,".

25 Page 10, line 25, delete "as determined by the office." and insert "**to**
 26 **pay prior year unreimbursed state nursing facility expenditures."**

27 Page 10, line 42, delete "as determined by the" and insert "**to pay**
 28 **prior year unreimbursed state nursing facility expenditures."**

29 Page 11, delete line 1.

30 Page 12, delete lines 18 through 42.

31 Delete pages 13 through 14.

32 Page 15, delete lines 1 through 6.

33 Page 16, after line 32, begin a new paragraph and insert:

34 "SECTION 17. IC 16-29-6 IS ADDED TO THE INDIANA CODE
 35 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 36 JULY 1, 2011]:

37 **Chapter 6. Comprehensive Care Health Facilities**

38 **Sec. 1. As used in this chapter, "small house health facility"**
 39 **means a freestanding, self-contained comprehensive care health**
 40 **facility that has the following characteristics:**

41 **(1) Has at least ten (10) and not more than twelve (12) private**
 42 **resident rooms in one (1) structure that has the appearance of**

1 a residential dwelling that is not more than eight thousand
2 (8,000) square feet and includes the following:

3 (A) A fully accessible private bathroom for each resident
4 room that includes a toilet, sink, and roll in shower with a
5 seat.

6 (B) A common area living room seating area.

7 (C) An open full-sized kitchen where one hundred percent
8 (100%) of the resident's meals are prepared.

9 (D) A dining room that has one (1) table large enough to
10 seat each resident of the dwelling and at least two (2) staff
11 members.

12 (E) Access to natural light in each habitable space.

13 (2) Does not include the following characteristics of an
14 institutional setting:

15 (A) A nurse's station.

16 (B) Room numbering or other signs that would not be
17 found in a residential setting.

18 (3) Provides self-directed care.

19 **Sec. 2. (a) This chapter does not apply to the following:**

20 (1) An entity that:

21 (A) is licensed or to be licensed under this article;

22 (B) either:

23 (i) has physically begun significant construction of the
24 health facility before December 31, 2011; or

25 (ii) is seeking only to license a bed that has been obtained
26 through purchase or agreement from an existing licensed
27 comprehensive care health facility; and

28 (C) meets the licensure and survey requirements of
29 IC 16-28.

30 (2) A comprehensive care health facility that is licensed under
31 IC 16-28-2 and is transferring or relocating an existing
32 comprehensive care health facility to a county in which the
33 occupancy rate is at least ninety percent (90%).

34 (3) A comprehensive care health facility that is licensed under
35 IC 16-28-2 and is replacing existing licensed beds within the
36 same county.

37 (4) A small house health facility.

38 The state department shall make the final determination on
39 whether an entity has physically begun significant construction of
40 a comprehensive care health facility for purposes of subdivision
41 (1)(B).

42 (b) If a replacement bed license is being transferred as described

1 in subsection (a) to a different comprehensive care health facility
2 with the same ownership, the comprehensive care health facility
3 holding the comprehensive care bed license shall provide the state
4 department with written verification that the health facility has
5 agreed to transfer the beds to the applicant health facility.

6 (c) If a replacement bed license is being transferred as described
7 in subsection (a) to a different comprehensive care health facility
8 under different ownership, the comprehensive care health facility
9 transferring the bed license shall provide the state department with
10 a copy of the complete agreement between the comprehensive care
11 health facility transferring the beds and the applicant
12 comprehensive care health facility.

13 (d) Except in the case of an emergency or a disaster, licensure
14 of an existing comprehensive care bed may not be transferred to a
15 new location until the new facility is seeking licensure of the bed.

16 Sec. 3. The state department may not approve a new
17 comprehensive care health facility license under IC 16-28-2 and an
18 entity may not add or construct a comprehensive care health
19 facility licensed or to be licensed under IC 16-28 unless the state
20 department determines that there is a need for the health facility
21 in the county by determining that the occupancy rate in health
22 facilities for the county in which the health facility is located or is
23 to be located is at a rate of at least ninety percent (90%).

24 Sec. 4. (a) A person planning to construct a small house health
25 facility shall apply to the Indiana health facility council for
26 approval.

27 (b) An applicant under this section, including an entity related
28 to the applicant through common ownership or control, may apply
29 for not more than fifty (50) comprehensive care beds for small
30 house health facilities per year.

31 (c) The Indiana health facilities council may not recommend,
32 and the state department may not approve, certification of more
33 than one hundred (100) new comprehensive care beds designated
34 for small house health facilities per year.

35 (d) The state department shall approve an application for a
36 small house health facility:

37 (1) in the order of the completed application date;

38 (2) if the applicant meets the definition of a small house health
39 facility and the requirements of this section; and

40 (3) after the Indiana health facilities council has
41 recommended the application for approval.

42 (e) The health facilities council may not recommend, and the

1 state department may not approve, an application for construction
 2 and operation of a small house health facility if the person meets
 3 any of the following:

- 4 (1) Has a record of operation of less than a full license.
 5 (2) Has owned or operated a health facility that has had the
 6 health facility's license revoked, suspended, or denied.
 7 (3) Has received a survey finding of substandard quality of
 8 care, immediate jeopardy, or actual harm.
 9 (4) Has filed for bankruptcy, reorganization, or receivership.
 10 (5) Was the subject of any of the following:
 11 (A) License decertification.
 12 (B) License termination.
 13 (C) A finding of patient:
 14 (i) abuse;
 15 (ii) mistreatment; or
 16 (iii) neglect.
 17 (f) A person that fails to complete construction and begin
 18 operation of a small house comprehensive care health facility
 19 within twelve (12) months of the state department's approval of the
 20 application forfeits the person's right to the comprehensive care
 21 beds approved by the state department if:
 22 (1) another person has applied to the Indiana health facilities
 23 council for approval of at least (1) small house health facility;
 24 and
 25 (2) the person's application was denied for the sole reason that
 26 the maximum number of comprehensive care beds specified
 27 in subsection (c) had been certified for small house health
 28 facilities.

29 **Sec. 5. This chapter expires June 30, 2014."**

30 Renumber all SECTIONS consecutively.

(Reference is to SB 460 as introduced.)

and when so amended that said bill do pass .

Committee Vote: Yeas 12, Nays 0.

Senator Kenley, Chairperson