COMMITTEE REPORT

MADAM PRESIDENT:

The Senate Committee on Pensions and Labor, to which was referred House Bill No. 1320, 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 7, strike "his" and insert "the injured employee's".
2	Page 1, line 12, strike "his" and insert "the injured employee's".
3	Page 2, line 28, strike "evenamount" and insert "amount".
4	Page 4, line 20, strike "per cent" and insert "percent".
5	Page 4, line 23, strike "per".
6	Page 4, line 24, strike "cent" and insert "percent".
7	Page 7, between lines 10 and 11, begin a new paragraph and insert:
8	"SECTION 3. IC 22-3-3-4.5 IS ADDED TO THE INDIANA CODE
9	AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
10	1, 2013]: Sec. 4.5. (a) As used in this section, "legend drug" has the
11	meaning set forth in IC 25-26-14-7.
12	(b) As used in this section, "repackage" has the meaning set
13	forth in IC 25-26-14-9.3.
14	(c) This subsection does not apply to a retail or mail order
15	pharmacy. Except as provided in subsection (d), whenever a
16	prescription covered by IC 22-3-2 through IC 22-3-6 is filled using
17	a repackaged legend drug, the maximum reimbursement amount
18	for the repackaged legend drug must be computed using the
19	average wholesale price set by the original manufacturer for the
20	legend drug.

1	(d) If the National Drug Code (established under Section 510 of
2	the Federal Food, Drug, and Cosmetic Act, 21 U.S.C. 360) for a
3	legend drug cannot be determined from the medical service
4	provider's billing or statement, the maximum reimbursement
5	amount for the repackaged legend drug under subsection (c) is the
6	lowest cost generic for that legend drug.
7	(e) This subsection does not apply to a retail or mail order
8	pharmacy. The maximum period during which a medical service
9	provider may dispense to an employee medication for which the
10	medical service provider may receive a reimbursement under
11	IC 22-3-2 through IC 22-3-6 is the period from the date of the
12	employee's injury through the seventh day after the date of the
13	employee's injury. A medical service provider may not be
14	reimbursed under IC 22-3-2 through IC 22-3-6 for a medication
15	dispensed to an employee after the seventh day after the date of the
16	employee's injury.".
17	Page 7, line 16, delete "For" and insert "This subdivision applies
18	before July 1, 2014, to all medical service providers, and after June
19	30, 2014, to".
20	Page 7, line 17, delete "facility, such" and insert "facility. Such".
21	Page 7, line 20, delete "For" and insert "This subdivision applies
22	after June 30, 2014, to".
23	Page 7, line 20, delete "facility, the" and insert "facility. The".
24	Page 8, line 20, after "provided" insert "before July 1, 2014, by all
25	medical service providers, and after June 30, 2014,".
26	Page 9, line 3, after "2014" delete "." and insert ", to a medical
27	service facility.".
28	Page 9, line 6, delete "either" and insert "a reasonable amount,
29	which is established by payment of one (1)".
30	Page 9, line 8, after "negotiated" insert "at any time".
31	Page 9, between lines 13 and 14, begin a new line double block
32	indented and insert:
33	"(D) A direct provider network that has contracted with a
34	person described in clause (A) or (B).".
35	Page 9, line 14, delete "Not more than two hundred twenty-five
36	percent (225%)" and insert "Two hundred percent (200%)".
37	Page 9, line 15, after "Medicare" insert "on the same date".
38	Page 9, line 16, after "product" delete "," and insert "provided by

1	the medical service facility,".
2	Page 9, between lines 17 and 18, begin a new line block indented
3	and insert:
4	"(3) An amount not less than one hundred twenty-five percent
5	(125%) of the cost to the medical service facility of the specific
6	service or product provided under worker's compensation, it
7	an amount has not been negotiated as described in subdivision
8	(1) and the parties have a dispute regarding the payment
9	under subdivision (2). The medical service facility shall
10	provide the cost amount required under this subdivision.
11	(c) The payment to a medical service provider located outside
12	Indiana for a service or product furnished to an employee under
13	IC 22-3-2 through IC 22-3-6 may not exceed the payment that
14	would be made to the nearest similar medical service provider
15	located in Indiana for furnishing the same service or product in
16	Indiana.
17	(d) The payment to a medical service provider for an implant
18	furnished to an employee under IC 22-3-2 through IC 22-3-6 may
19	not exceed the invoice amount plus twenty-five percent (25%).".
20	Page 9, line 18, delete "(c)" and insert "(e)".
21	Page 9, line 33, delete "(d)" and insert "(f)".
22	Page 9, between lines 41 and 42, begin a new paragraph and insert:
23	"SECTION 6. IC 22-3-3-5.4 IS ADDED TO THE INDIANA CODE
24	AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
25	1, 2013]: Sec. 5.4. (a) This section applies after June 30, 2014.
26	(b) A claim made by a medical service provider for payment for
27	services or products provided under IC 22-3-2 through IC 22-3-6
28	must be:
29	(1) filed with; and
30	(2) paid by;
31	an employer and an employer's insurance carrier, if any
32	electronically.
33	(c) A medical service provider shall submit only the following
34	forms for payment by an employer or an employer's insurance
35	carrier:
36	(1) CMS-1500.
37	(2) CMS-1450 (UB-04).
38	(3) American Dental Association (ADA) claim form.

1	(4) ANSI-837I.
2	(d) Not more than thirty (30) days after the date on which the
3	claim is received, the employer or the employer's insurance carrier
4	shall pay or deny the claim made by the medical service provider.
5	SECTION 7. IC 22-3-3-5.5 IS ADDED TO THE INDIANA CODE
6	AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
7	1, 2013]: Sec. 5.5. (a) If an employer determines that a medical
8	service provider has made an excessive charge or required an
9	unjustified service or product, the medical service provider:
10	(1) may not receive reimbursement under this article for the
11	excessive charge or unjustified service or product; and
12	(2) is liable to return to the employer any amounts received as
13	reimbursement for the excessive charge or unjustified service
14	or product.
15	(b) The worker's compensation board may review the records
16	and medical bills of a medical service provider that an employer
17	determines is not complying with the schedule of charges or is
18	requiring unjustified services or products.".
19	Page 13, line 34, strike "(5)," and insert "(4),".
20	Page 18, line 6, after "2010," insert "and before July 1, 2014,".
21	Page 18, between lines 14 and 15, begin a new line block indented
22	and insert:
23	"(13) With respect to injuries occurring on and after July 1,
24	2014, for each degree of permanent impairment from one (1)
25	to ten (10), one thousand seven hundred fifty dollars (\$1,750)
26	per degree; for each degree of permanent impairment from
27	eleven (11) to thirty-five (35), one thousand nine hundred
28	fifty-two dollars (\$1,952) per degree; for each degree of
29	permanent impairment from thirty-six (36) to fifty (50), three
30	thousand one hundred eighty-six dollars (\$3,186) per degree;
31	for each degree of permanent impairment above fifty (50),
32	four thousand sixty dollars (\$4,060) per degree.".
33	Page 19, line 3, delete "2013," and insert "2014,".
34	Page 19, line 6, delete "2013," and insert "2014,".
35	Page 19, line 6, delete "twenty-five" and insert "seventy".
36	Page 19, line 6, delete "(\$1,125)." and insert "(\$1,170).".
37	Page 22, line 2, after "(\$75);" insert "and".
38	Page 22, delete lines 3 through 27, begin a new line block indented

1	and insert:
2	"(11) with respect to injuries occurring on and after July 1,
3	2014:
4	(A) not more than one thousand one hundred seventy
5	dollars (\$1,170); and
6	(B) not less than seventy-five dollars (\$75).".
7	Page 24, delete lines 25 through 38, begin a new line block indented
8	and insert:
9	"(11) With respect to an injury occurring on and after July 1,
10	2014, three hundred ninety thousand dollars (\$390,000).".
11	Page 35, line 1, delete "a hospital, clinic, surgery".
12	Page 35, delete lines 2 through 3.
13	Page 35, line 4, delete "IC 22-3-6, but" and insert "any of the
14	following that provides a service or product under IC 22-3-2
15	through IC 22-3-6:
16	(1) A hospital (as defined in IC 16-18-2-179).
17	(2) A hospital based health facility (as defined in
18	IC 16-18-2-180).
19	(3) A medical center (as defined in IC 16-18-2-223.4).
20	The term".
21	Page 35, line 7, after "IC 23-1.5-2-3(a)(4)" delete "." and insert "or
22	a health care professional (as defined in IC 23-1.5-1-8) who bills for
23	a service or product provided under IC 22-3-2 through IC 22-3-6
24	as an individual or a member of a group practice.".
25	Page 35, line 12, delete "For payment" and insert "This subdivision
26	applies before July 1, 2014, to all medical service providers, and
27	after June 30, 2014,".
28	Page 35, line 13, delete "facility, payment" and insert "facility.
29	Payment".
30	Page 35, line 17, delete "For payment" and insert "This subdivision
31	applies after June 30, 2014,".
32	Page 35, line 17, delete "facility, payment" and insert "facility.
33	Payment".
34	Page 35, line 18, delete "an amount equal to" and insert "a
35	reasonable amount, which is established by payment of one (1) of".
36	Page 35, line 19, after "negotiated" insert "at any time".
37	Page 35, between lines 25 and 26, begin a new line triple block
38	indented and insert:

I	"(iv) A direct provider network that has contracted with
2	a person described in item (i) or (ii).".
3	Page 35, line 26, delete "Not more than two hundred twenty-five
4	percent" and insert "Two hundred percent".
5	Page 35, line 27, delete "(225%)" and insert "(200%)".
6	Page 35, line 27, after "Medicare" insert "on the same date".
7	Page 35, line 28, after "product" delete "," and insert "provided by
8	the medical service facility,".
9	Page 35, between lines 29 and 30, begin a new line double block
10	indented and insert:
11	"(C) An amount not less than one hundred twenty-five
12	percent (125%) of the cost to the medical service facility of
13	the specific service or product provided under worker's
14	compensation, if an amount has not been negotiated as
15	described in clause (A) and the parties have a dispute
16	regarding the payment under clause (B). The medical
17	service facility shall provide the cost amount required
18	under this clause.".
19	Page 41, line 5, after "means" delete "a".
20	Page 41, delete lines 6 through 7.
21	Page 41, line 8, delete "under this chapter, but" and insert "any of
22	the following that provides a service or product under this chapter:
23	(1) A hospital (as defined in IC 16-18-2-179).
24	(2) A hospital based health facility (as defined in
25	IC 16-18-2-180).
26	(3) A medical center (as defined in IC 16-18-2-223.4).
27	The term".
28	Page 41, line 11, after "IC 23-1.5-2-3(a)(4)" delete "." and insert "or
29	a health care professional (as defined in IC 23-1.5-1-8) who bills for
30	a service or product provided under this chapter as an individual
31	or a member of a group practice.".
32	Page 41, line 16, delete "For payment" and insert "This subdivision
33	applies before July 1, 2014, to all medical service providers, and
34	after June 30, 2014,".
35	Page 41, line 17, delete "facility, payment" and insert "facility.
36	Payment".
37	Page 41, line 21, delete "For payment" and insert "This subdivision
38	applies after June 30, 2014,".

1	Page 41, line 21, delete "facility, payment" and insert "facility.
2	Payment".
3	Page 41, line 22, delete "an amount equal to" and insert "a
4	reasonable amount, which is established by payment of one (1) of".
5	Page 41, line 23, after "negotiated" insert "at any time".
6	Page 41, between lines 29 and 30, begin a new line triple block
7	indented and insert:
8	"(iv) A direct provider network that has contracted with
9	a person described in item (i) or (ii).".
10	Page 41, line 30, delete "Not more than two hundred twenty-five
11	percent" and insert "Two hundred percent".
12	Page 41, line 31, delete "(225%)" and insert "(200%)".
13	Page 41, line 31, after "Medicare" insert "on the same date".
14	Page 41, line 32, after "product" delete "," and insert "provided by
15	the medical service facility,".
16	Page 41, between lines 33 and 34, begin a new line double block
17	indented and insert:
18	"(C) An amount not less than one hundred twenty-five
19	percent (125%) of the cost to the medical service facility of
20	the specific service or product provided under
21	occupational diseases compensation, if an amount has not
22	been negotiated as described in clause (A) and the parties
23	have a dispute regarding the payment under clause (B).
24	The medical service facility shall provide the cost amount
25	required under this clause.".
26	Page 51, line 30, after "2010," insert "and before July 1, 2014,".
27	Page 51, between lines 37 and 38, begin a new line block indented
28	and insert:
29	"(13) With respect to disablements occurring on and after
30	July 1, 2014, for each degree of permanent impairment from
31	one (1) to ten (10), one thousand seven hundred fifty dollars
32	(\$1,750) per degree; for each degree of permanent
33	impairment from eleven (11) to thirty-five (35), one thousand
34	nine hundred fifty-two dollars (\$1,952) per degree; for each
35	degree of permanent impairment from thirty-six (36) to fifty
36	(50), three thousand one hundred eighty-six dollars (\$3,186)
37	per degree; for each degree of permanent impairment above
38	fifty (50), four thousand sixty dollars (\$4,060) per degree "

1	Page 52, line 37, delete "2013," and insert " 2014 ,".
2	Page 52, line 40, delete "2013," and insert "2014,".
3	Page 52, line 40, delete "twenty-five" and insert "seventy".
4	Page 52, line 41, delete "(\$1,125)." and insert "(\$1,170).".
5	Page 57, line 42, after "provided" insert "before July 1,2014, by all
6	medical service providers, and after June 30, 2014,".
7	Page 58, line 25, after "(b)" insert "This subsection applies after
8	June 30, 2014, to a medical service facility.".
9	Page 58, line 28, after "equal to" insert "a reasonable amount
10	which is established by payment of one (1) of".
11	Page 58, line 29, after "negotiated" insert "at any time".
12	Page 58, between lines 34 and 35, begin a new line double block
13	indented and insert:
14	"(D) A direct provider network that has contracted with a
15	person described in clause (A) or (B).".
16	Page 58, line 35, delete "Not more than two hundred twenty-five
17	percent (225%)" and insert "Two hundred percent (200%)".
18	Page 58, line 36, after "Medicare" insert "on the same date".
19	Page 58, line 37, after "product" delete "," and insert "provided by
20	the medical service facility,".
21	Page 58, between lines 38 and 39, begin a new line block indented
22	and insert:
23	"(3) An amount not less than one hundred twenty-five percent
24	(125%) of the cost to the medical service facility of a specific
25	service or product provided under occupational diseases
26	compensation, if an amount has not been negotiated as
27	described in subdivision (1) and the parties have a dispute
28	regarding the payment under subdivision (2). The medical
29	service facility shall provide the cost amount required under
30	this subdivision.
31	(c) The payment to a medical service provider located outside
32	Indiana for a service or product furnished to an employee under
33	this chapter may not exceed the payment that would be made to the
34	nearest similar medical service provider located in Indiana for
35	furnishing the same service or product in Indiana.
36	(d) The payment to a medical service provider for an implant
37	furnished to an employee under this chapter may not exceed the
38	invoice amount plus twenty-five percent (25%).".

1	Page 58, line 39, delete "(c)" and insert "(e)".
2	Page 59, line 12, delete "(d)" and insert "(f)".
3	Page 59, between lines 20 and 21, begin a new paragraph and insert:
4	"SECTION 18. IC 22-3-7-17.3 IS ADDED TO THE INDIANA
5	CODE AS A NEW SECTION TO READ AS FOLLOWS
6	[EFFECTIVE JULY 1, 2013]: Sec. 17.3. (a) This section applies after
7	June 30, 2014.
8	(b) A claim made by a medical service provider for payment for
9	services or products provided under this chapter must be:
10	(1) filed with; and
11	(2) paid by;
12	an employer and an employer's insurance carrier, if any,
13	electronically.
14	(c) A medical service provider shall submit only the following
15	forms for payment by an employer or an employer's insurance
16	carrier:
17	(1) CMS-1500.
18	(2) CMS-1450 (UB-04).
19	(3) American Dental Association (ADA) claim form.
20	(4) ANSI-837I.
21	(d) Not more than thirty (30) days after the date on which the
22	claim is received, the employer or the employer's insurance carrier
23	shall pay or deny the claim made by the medical service provider.
24	SECTION 19. IC 22-3-7-17.4 IS ADDED TO THE INDIANA
25	CODE AS A NEW SECTION TO READ AS FOLLOWS
26	[EFFECTIVE JULY 1, 2013]: Sec. 17.4. (a) As used in this section,
27	"legend drug" has the meaning set forth in IC 25-26-14-7.
28	(b) As used in this section, "repackage" has the meaning set
29	forth in IC 25-26-14-9.3.
30	(c) This subsection does not apply to a retail or mail order
31	pharmacy. Except as provided in subsection (d), whenever a
32	prescription covered by this chapter is filled using a repackaged
33	legend drug, the maximum reimbursement amount for the
34	repackaged legend drug must be computed using the average
35	wholesale price set by the original manufacturer for the legend
36	drug.
37	(d) If the National Drug Code (established under Section 510 of

the Federal Food, Drug, and Cosmetic Act, 21 U.S.C. 360) for a

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legend drug cannot be determined from the medical service provider's billing or statement, the maximum reimbursement amount for the repackaged legend drug under subsection (c) is the lowest cost generic for that legend drug.

(e) The maximum period during which a medical service provider that is not a retail or mail order pharmacy may dispense to an employee medication for which the medical service provider may receive a reimbursement under this chapter is the period of seven (7) days after the date of the employee's disablement. A medical service provider that is not a retail or mail order pharmacy may not be reimbursed under this article for a medication dispensed to an employee after the seventh day after the date of the employee's disablement.

SECTION 20. IC 22-3-7-17.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2013]: **Sec. 17.5. (a) If an employer determines that a medical service provider has made an excessive charge or required an unjustified service or product, the medical service provider:**

- (1) may not receive reimbursement under this chapter for the excessive charge or unjustified service or product; and
- (2) is liable to return to the employer any amounts received as reimbursement for the excessive charge or unjustified service or product.
- (b) The worker's compensation board may review the records and medical bills of a medical service provider that an employer determines is not complying with the schedule of charges or is requiring unjustified services or products.".
- Page 61, line 40, after "(\$75);" insert "and".
- Page 61, delete lines 41 through 42, begin a new line block indented and insert:
- "(11) with respect to disablements occurring on and after July1, 2014:
- 34 (A) not more than one thousand one hundred seventy 35 dollars (\$1,170); and
- **(B)** not less than seventy-five dollars (\$75).".
- Page 62, delete lines 1 through 23.
- Page 64, delete lines 22 through 35, begin a new line block indented

1	and insert:
2	"(11) With respect to disability or death occurring on and
3	after July 1, 2014, three hundred ninety thousand dollars
4	(\$390,000).".
5	Page 69, delete lines 8 through 42.
6	Delete page 70.
7	Page 71, delete lines 1 through 24, begin a new paragraph and
8	insert:
9	"SECTION 23. IC 22-3-13 IS ADDED TO THE INDIANA CODE
10	AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
11	JULY 1, 2013]:
12	Chapter 13. Worker's Compensation and Occupational Diseases
13	Compensation Program Advisory Committee
14	Sec. 1. As used in this chapter, "billing review service" means
15	a person or an entity that reviews a medical service provider's bills
16	or statements to determine pecuniary liability under IC 22-3-2
17	through IC 22-3-7.
18	Sec. 2. As used in this chapter, "committee" refers to the
19	worker's compensation and occupational diseases compensation
20	program advisory committee established by section 4 of this
21	chapter.
22	Sec. 3. As used in this chapter, "medical service provider"
23	means a person or an entity that provides services and products to
24	an employee under IC 22-3-2 through IC 22-3-7.
25	Sec. 4. (a) The worker's compensation and occupational diseases
26	compensation program advisory committee is established.
27	(b) The committee shall act in an advisory capacity to the
28	worker's compensation board in the administration of the worker's
29	compensation and occupational diseases compensation program
30	under IC 22-3-2 through IC 22-3-7.
31	Sec. 5. The committee consists of the following members:
32	(1) One (1) member of each of the following organizations,
33	appointed by the governor:
34	(A) Indiana State Medical Association.
35	(B) Indiana Hospital Association.
36	(C) Indiana Federation of Ambulatory Surgical Centers.
37	(D) AFL-CIO.
38	(E) Indiana State Building and Construction Trades

1	Council.
2	(F) Insurance Institute of Indiana.
3	(G) Indiana Manufacturers Association.
4	(H) Indiana Chamber of Commerce.
5	(I) National Federation of Independent Business.
6	(J) Indiana Builders Association.
7	(K) Indiana Self Insurers Association.
8	(2) One (1) member representing billing review services,
9	appointed by the governor.
10	(3) One (1) member of the house of representatives appointed
11	by the speaker of the house of representatives, who serves as
12	a nonvoting member of the committee.
13	(4) One (1) member of the senate appointed by the president
14	pro tempore of the senate, who serves as a nonvoting member
15	of the committee.
16	(5) The chair of the worker's compensation board, who shall
17	serve as an ex officio member of the committee.
18	Sec. 6. (a) This section does not apply to a member of the house
19	of representatives or a member of the senate.
20	(b) An appointment to the committee is for a four (4) year term,
21	beginning on July 1, 2013, but a member serves until a successor
22	is designated.
23	Sec. 7. The term of a committee member who is a member of the
24	house of representatives or a member of the senate coincides with
25	the member's legislative term of office.
26	Sec. 8. If a vacancy on the committee occurs, the person who
27	appointed the member whose position is vacant shall appoint an
28	individual to fill the vacancy using the criteria in section 5 of this
29	chapter.
30	Sec. 9. (a) The chair of the worker's compensation board serves
31	as the chair of the committee.
32	(b) The committee shall meet at least four (4) times each year,
33	once each calendar quarter, and may meet more frequently at the
34	call of the chair.
35	(c) The chair shall establish the agenda for each meeting of the
36	committee.
37	Sec. 10. (a) Each member of the committee who is not a state
38	employee or is not a member of the general assembly is entitled to

1	the following:
2	(1) The salary per diem provided under IC 4-10-11-2.1(b).
3	(2) Reimbursement for traveling expenses as provided under
4	IC 4-13-1-4.
5	(3) Other expenses actually incurred in connection with the
6	member's duties, as provided in the state policies and
7	procedures established by the department of administration
8	and approved by the budget agency.
9	(b) Each member of the committee who is a state employee but
10	not a member of the general assembly is entitled to the following:
11	(1) Reimbursement for traveling expenses as provided under
12	IC 4-13-1-4.
13	(2) Other expenses actually incurred in connection with the
14	member's duties, as provided in the state policies and
15	procedures established by the department of administration
16	and approved by the budget agency.
17	(c) Each member of the committee who is a member of the
18	general assembly is entitled to the same:
19	(1) per diem;
20	(2) mileage; and
21	(3) travel allowances;
22	paid to legislative members of interim study committees
23	established by the legislative council.
24	Sec. 11. The committee shall make a report annually not later
25	than September 1, beginning September 1, 2014, to the legislative
26	council concerning recommendations and proposed changes
27	related to the worker's compensation and occupational diseases
28	compensation program. The report must be in an electronic format

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- 2 Page 72, line 8, after "20 or" delete "section".
- Renumber all SECTIONS consecutively.

(Reference is to HB 1320 as reprinted February 22, 2013.)

and when so amended that said bill do pass.

Committee Vote: Yeas 8, Nays 1.

Boots Chairperson