

# HOUSE BILL No. 1064

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 12-7-2-73.8; IC 12-15.

**Synopsis:** Medicaid reimbursement of DME. Specifies Medicaid reimbursement rates that are required of the office of the secretary of family and social services (office) and a managed care organization for durable and home medical equipment and supplies, prosthetics, orthotics, and services. Requires the office and a managed care organization to cover the same: (1) health care codes; (2) scope and quantities of certain items; and (3) time frames for submissions of claims and discrepancies; as under the Medicaid program. Specifies that if the office fails to correctly process a clean claim in the specified time requirements, the office may not claim that the provider failed to meet the time requirements for submission of the clean claim. Repeals language that specifies that Medicaid law is controlling when Medicaid law conflicts with insurance law.

**Effective:** July 1, 2020.

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January 16, 2020, read first time and referred to Committee on Public Health.

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Second Regular Session of the 121st General Assembly (2020)

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 2019 Regular Session of the General Assembly.

# HOUSE BILL No. 1064

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

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

1 SECTION 1. IC 12-7-2-73.8 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2020]: **Sec. 73.8. "Durable and home medical equipment and  
4 supplies", for purposes of IC 12-15-13-10, has the meaning set  
5 forth in IC 12-15-13-10(b).**

6 SECTION 2. IC 12-15-12-0.9 IS REPEALED [EFFECTIVE JULY  
7 1, 2020]. ~~Sec. 0:9: (a) This section applies only with respect to the  
8 responsibilities of a managed care organization under:~~

- 9 ~~(1) this article;~~
- 10 ~~(2) IC 12-17-6;~~
- 11 ~~(3) 42 CFR 438; or~~
- 12 ~~(4) a rule adopted under a law described in subdivision (1) or (2).~~

13 ~~(b) Except as provided in IC 27-1-37.5 after December 31, 2020, if  
14 a provision of, or rule adopted under, IC 27 conflicts with the  
15 administration of the programs under a law described in subsection (a);  
16 the law described in subsection (a) is controlling.~~

17 SECTION 3. IC 12-15-13-1.7 IS AMENDED TO READ AS



1 FOLLOWS [EFFECTIVE JULY 1, 2020]: Sec. 1.7. (a) This section  
2 does not apply to claims submitted for payment by nursing facilities.

3 (b) The office shall pay or deny each clean claim as follows:

4 (1) If the claim is filed electronically, within twenty-one (21) days  
5 after the date the claim is received by:

6 (A) the office; or

7 (B) a contractor of the office under IC 12-15-30, if  
8 IC 12-15-30 applies.

9 (2) If the claim is filed on paper, within thirty (30) days after the  
10 date the claim is received by:

11 (A) the office; or

12 (B) a contractor of the office under IC 12-15-30, if  
13 IC 12-15-30 applies.

14 (c) If:

15 (1) the office fails to pay or deny a clean claim in the time  
16 required under subsection (b); and

17 (2) the office or a contractor of the office under IC 12-15-30  
18 subsequently pays the claim;

19 the office shall pay the provider that submitted the claim interest on the  
20 Medicaid allowable amount of the claim paid under this section.

21 (d) Interest paid under subsection (c) shall:

22 (1) begin accruing:

23 (A) twenty-two (22) days after the date the claim is filed under  
24 subsection (b)(1); or

25 (B) thirty-one (31) days after the date the claim is filed under  
26 subsection (b)(2); and

27 (2) stop accruing on the date the claim is paid.

28 (e) In paying interest under subsection (c), the office shall use the  
29 same interest rate as provided in IC 12-15-21-3(7)(A).

30 **(f) If the office fails to pay or deny a clean claim in the time**  
31 **required under subsection (b) due to the office incorrectly**  
32 **processing the clean claim, the office may not claim that the**  
33 **provider failed to meet the time filing requirements for the claim.**

34 SECTION 4. IC 12-15-13-10 IS ADDED TO THE INDIANA  
35 CODE AS A NEW SECTION TO READ AS FOLLOWS  
36 [EFFECTIVE JULY 1, 2020]: **Sec. 10. (a) This section applies only**  
37 **to a person that is an in-network provider of a managed care**  
38 **organization.**

39 **(b) As used in this section, "durable and home medical**  
40 **equipment and supplies" means equipment or supplies that can**  
41 **withstand repeated use, are primarily and customarily used to**  
42 **serve a medical purpose, and generally are not useful to a member**



1 in the absence of a disability, illness, or injury. The term includes  
2 the following:

- 3 (1) Ice bags.  
4 (2) Bed rails.  
5 (3) Canes.  
6 (4) Walkers.  
7 (5) Crutches.  
8 (6) Standard wheelchairs.  
9 (7) Traction equipment.  
10 (8) Oxygen and equipment and supplies for the delivery of  
11 oxygen.  
12 (9) Any item reimbursable under the Medicaid program as  
13 durable medical equipment or home medical equipment and  
14 supplies.

15 (c) The office and a managed care organization shall reimburse  
16 a supplier of durable and home medical equipment and supplies,  
17 prosthetics, and orthotics at a rate of one hundred percent (100%)  
18 of the most current state Medicaid program durable medical  
19 equipment fee schedule.

20 (d) The office shall require a managed care organization to  
21 cover at least the same healthcare common procedure coding  
22 system (HCPCS) and the same scope and quantities of:

- 23 (1) durable and home medical equipment and supplies;  
24 (2) medical supplies;  
25 (3) equipment; and  
26 (4) services;

27 as are provided by the office under the Medicaid fee for service  
28 program.

29 (e) The office shall ensure that a managed care organization  
30 allows for the same allowable time frame for:

- 31 (1) claim submissions; and  
32 (2) discrepancies;

33 by suppliers of durable and home medical equipment and supplies,  
34 prosthetics, orthotics, and supplies as allowed by the office under  
35 the Medicaid fee for service program.

