



April 5, 2019

ENGROSSED HOUSE BILL No. 1546

DIGEST OF HB 1546 (Updated April 3, 2019 12:10 pm - DI 104)

Citations Affected: IC 12-15; IC 27-1.

Synopsis: Prior authorization and Medicaid. Specifies that after December 31, 2020 the prior authorization for health care services statute applies to the risk based managed care Medicaid program. Requires, after December 31, 2020, that a Medicaid managed care organization use a standardized prior authorization form prescribed by the office of the secretary of family and social services.

Effective: July 1, 2019.

Kirchhofer, Schaibley, Shackelford

(SENATE SPONSORS — BECKER, CHARBONNEAU)

January 17, 2019, read first time and referred to Committee on Public Health.
February 7, 2019, amended, reported — Do Pass.
February 11, 2019, read second time, ordered engrossed. Engrossed.
February 12, 2019, read third time, passed. Yeas 91, nays 0.

SENATE ACTION

March 7, 2019, read first time and referred to Committee on Health and Provider Services.
April 4, 2019, amended, reported favorably — Do Pass.

EH 1546—LS 7428/DI 104



April 5, 2019

First Regular Session of the 121st General Assembly (2019)

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 2018 Regular and Special Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1546

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

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

1 SECTION 1. IC 12-15-12-0.9, AS ADDED BY P.L.152-2017,
2 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2019]: Sec. 0.9. (a) This section applies only with respect to
4 the responsibilities of a managed care organization under:

5 (1) this article;
6 (2) IC 12-17.6;
7 (3) 42 CFR 438; or
8 (4) a rule adopted under a law described in subdivision (1) or (2).
9 (b) **Except as provided in IC 27-1-37.5 after December 31, 2020,**
10 if a provision of, or rule adopted under, IC 27 conflicts with the
11 administration of the programs under a law described in subsection (a),
12 the law described in subsection (a) is controlling.

13 SECTION 2. IC 12-15-29-4.5, AS ADDED BY P.L.187-2007,
14 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
15 JULY 1, 2019]: Sec. 4.5. (a) An insurer shall accept a Medicaid claim
16 for a Medicaid recipient for three (3) years from the date the service
17 was provided.

EH 1546—LS 7428/DI 104



1 (b) An insurer may not deny a Medicaid claim submitted by the
2 office solely on the basis of:

- 3 (1) the date of submission of the claim;
4 (2) the type or format of the claim form;
5 (3) the method of submission of the claim; or
6 (4) a failure to provide proper documentation at the point of sale
7 that is the basis of the claim;

8 if the claim is submitted by the office within three (3) years from the
9 date the service was provided as required in subsection (a) and the
10 office commences action to enforce the office's rights regarding the
11 claim within six (6) years of the office's submission of the claim.

12 (c) An insurer may not deny a Medicaid claim submitted by the
13 office solely due to a lack of prior authorization. An insurer shall:

- 14 **(1) after December 31, 2020, meet the requirements set forth**
15 **in IC 27-1-37.5;**
16 **(2) conduct the prior authorization on a retrospective basis for**
17 **claims where prior authorization is necessary; and**
18 **(3) adjudicate any claim authorized in this manner as if the claim**
19 **received prior authorization.**

20 SECTION 3. IC 27-1-37.5-5, AS ADDED BY P.L.77-2018,
21 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
22 JULY 1, 2019]: Sec. 5. (a) As used in this chapter, "health plan" means
23 any of the following that provides coverage for health care services:

- 24 (1) A policy of accident and sickness insurance (as defined in
25 IC 27-8-5-1). However, the term does not include the coverages
26 described in IC 27-8-5-2.5(a).
27 (2) A contract with a health maintenance organization (as defined
28 in IC 27-13-1-19) that provides coverage for basic health care
29 services (as defined in IC 27-13-1-4).

- 30 **(3) After December 31, 2020, the Medicaid risk based**
31 **managed care program under IC 12-15.**

32 (b) The term includes a person that administers any of the following:

- 33 (1) A policy described in subsection (a)(1).
34 (2) A contract described in subsection (a)(2).
35 (3) A self-insurance program established under IC 5-10-8-7(b) to
36 provide health care coverage.

- 37 **(4) After December 31, 2020, Medicaid risk based managed**
38 **care.**

39 SECTION 4. IC 27-1-37.5-16, AS ADDED BY P.L.77-2018,
40 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
41 JULY 1, 2019]: Sec. 16. (a) **Except as provided in subsection (b),** the
42 department shall establish, post, and maintain on the department's



1 Internet web site a standardized prior authorization form for use by
2 health care providers and health plans for purposes of any notice or
3 authorization required by a health plan with respect to payment for a
4 health care service rendered to a covered individual.

5 **(b) After December 31, 2020, a Medicaid managed care**
6 **organization (as defined in IC 12-7-2-126.9) shall use a**
7 **standardized prior authorization form prescribed by the office of**
8 **the secretary of family and social services.**



COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Health, to which was referred House Bill 1546, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 9, delete "IC 27-1-37.5," and insert "**IC 27-1-37.5 after December 31, 2020,**".

Page 2, line 14, after "(1)" insert "**after December 31, 2020,**".

Page 2, line 29, delete "The" and insert "**After December 31, 2020, the**".

Page 2, line 36, after "(4)" insert "**After December 31, 2020,**".

and when so amended that said bill do pass.

(Reference is to HB 1546 as introduced.)

KIRCHHOFER

Committee Vote: yeas 12, nays 0.

COMMITTEE REPORT

Madam President: The Senate Committee on Health and Provider Services, to which was referred House Bill No. 1546, 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:

Page 2, after line 38, begin a new paragraph and insert:

"SECTION 4. IC 27-1-37.5-16, AS ADDED BY P.L.77-2018, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2019]: Sec. 16. **(a) Except as provided in subsection (b),** the department shall establish, post, and maintain on the department's Internet web site a standardized prior authorization form for use by health care providers and health plans for purposes of any notice or authorization required by a health plan with respect to payment for a health care service rendered to a covered individual.

(b) After December 31, 2020, a Medicaid managed care



organization (as defined in IC 12-7-2-126.9) shall use a standardized prior authorization form prescribed by the office of the secretary of family and social services."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1546 as printed February 8, 2019.)

CHARBONNEAU, Chairperson

Committee Vote: Yeas 8, Nays 0.

