

# SENATE BILL No. 142

---

## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 12-15-1-16; IC 20-28-1-11; IC 25-27-1-2.

**Synopsis:** Medicaid reimbursement for schools. Specifies services for which a school corporation may seek Medicaid reimbursement. Adds physical therapy to the list of services a school psychologist may refer a student. Allows school psychologists to make referrals to physical therapists for mandated school services.

**Effective:** July 1, 2020.

---

---

**Zay**

---

---

January 6, 2020, read first time and referred to Committee on Health and Provider Services.

---

---



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.

## SENATE BILL No. 142

---

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 12-15-1-16, AS AMENDED BY P.L.108-2019,  
2 SECTION 193, IS AMENDED TO READ AS FOLLOWS  
3 [EFFECTIVE JULY 1, 2020]: Sec. 16. (a) Each:  
4 (1) school corporation; or  
5 (2) school corporation's employed, licensed, or qualified provider;  
6 must enroll in a program to use federal funds under the Medicaid  
7 program (IC 12-15-1 et seq.) with the intent to share the costs of  
8 services that are reimbursable under the Medicaid program and that are  
9 provided to eligible children by the school corporation. However, a  
10 school corporation or a school corporation's employed, licensed, or  
11 qualified provider is not required to file any claims or participate in the  
12 program developed under this section.  
13 (b) The secretary and the department of education may develop  
14 policies and adopt rules to administer the program developed under this  
15 section.  
16 (c) The federal reimbursement for services provided under this  
17 section must be distributed to the school corporation. The state shall



1 retain the nonfederal share of the reimbursement for Medicaid services  
2 provided under this section.

3 (d) The office of Medicaid policy and planning, with the approval  
4 of the budget agency and after consultation with the department of  
5 education, shall establish procedures for the timely distribution of  
6 federal reimbursement due to the school corporations. The distribution  
7 procedures may provide for offsetting reductions to distributions of  
8 state tuition support or other state funds to school corporations in the  
9 amount of the nonfederal reimbursements required to be retained by the  
10 state under subsection (c).

11 (e) **A school corporation may seek reimbursement for covered  
12 services provided under a federal or state mandate by an employee  
13 or contractor of a school corporation, including any of the  
14 following plans for a student:**

15 (1) **Health services provided to a student under any of the  
16 following:**

17 (A) **An individualized education program (as defined in  
18 IC 20-18-2-9).**

19 (B) **A plan developed under Section 504 of the federal  
20 Rehabilitation Act, 29 U.S.C. 794.**

21 (C) **A behavioral intervention plan (as defined in  
22 IC 20-20-40-1).**

23 (D) **A service plan developed under 511 IAC 7-34.**

24 (E) **An individualized healthcare plan.**

25 (2) **Nursing services provided by any of the following:**

26 (A) **A registered nurse licensed under IC 25-23.**

27 (B) **A licensed practical nurse.**

28 (C) **Noncredentialed school staff who have been properly  
29 delegated and trained by a registered nurse to perform the  
30 services.**

31 (3) **Orientation and mobility services.**

32 (4) **Personal care services.**

33 (5) **Psychological testing performed by a licensed school  
34 psychologist.**

35 (6) **Covered services provided by any of the following:**

36 (A) **A licensed school counselor who holds an accomplished  
37 practitioner license issued by the state department of  
38 education.**

39 (B) **A clinical social worker master's degree candidate who  
40 is in the process of completing the field placement direct  
41 practice requirement under the supervision of a licensed  
42 clinical social worker.**



1           **(7) Speech services provided by an individual who holds an**  
 2           **emergency permit issued by the state department of education**  
 3           **and is working under the supervision of a licensed speech**  
 4           **language pathologist.**

5           **(8) Applied behavior analysis therapy services with**  
 6           **reimbursement at the current school corporation provider**  
 7           **reimbursement rate.**

8           **(9) Physical therapy services provided upon the referral of a**  
 9           **licensed school psychologist.**

10          **The office of the secretary shall apply for any state plan**  
 11          **amendment necessary to implement this subsection. The office**  
 12          **shall establish school corporation provider reimbursement rates**  
 13          **for services described in subdivision (8).**

14          SECTION 2. IC 20-28-1-11, AS AMENDED BY P.L.197-2007,  
 15          SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 16          JULY 1, 2020]: Sec. 11. "School psychology" means the following:

17           (1) Administering, scoring, and interpreting educational,  
 18           cognitive, career, vocational, behavioral, and affective tests and  
 19           procedures that address a student's:

20               (A) education;

21               (B) developmental status;

22               (C) attention skills; and

23               (D) social, emotional, and behavioral functioning;

24           as they relate to the student's learning or training in the academic  
 25           or vocational environment.

26           (2) Providing consultation, collaboration, and intervention  
 27           services (not including psychotherapy) and providing referral to  
 28           community resources to:

29               (A) students;

30               (B) parents of students;

31               (C) teachers;

32               (D) school administrators; and

33               (E) school staff;

34           concerning learning and performance in the educational process.

35           (3) Participating in or conducting research relating to a student's  
 36           learning and performance in the educational process:

37               (A) regarding the educational, developmental, career,  
 38               vocational, or attention functioning of the student; or

39               (B) screening social, affective, and behavioral functioning of  
 40               the student.

41           (4) Providing inservice or continuing education services relating  
 42           to learning and performance in the educational process to schools,



1 parents, or others.

2 (5) Supervising school psychology services.

3 (6) Referring a student to:

4 (A) a speech-language pathologist or an audiologist licensed  
5 under IC 25-35.6 for services for speech, hearing, and  
6 language disorders; **or**

7 (B) an occupational therapist licensed under IC 25-23.5 for  
8 occupational therapy services; **or**

9 **(C) a physical therapist licensed under IC 25-27 for**  
10 **mandated school services within a physical therapist's**  
11 **scope of practice;**

12 by a school psychologist who is employed by a school corporation  
13 and who is defined as a practitioner of the healing arts for the  
14 purpose of referrals under 42 CFR 440.110.

15 The term does not include the diagnosis or treatment of mental and  
16 nervous disorders, except for conditions and interventions provided for  
17 in state and federal mandates affecting special education and  
18 vocational evaluations as the evaluations relate to the assessment of  
19 handicapping conditions and special education decisions or as the  
20 evaluations pertain to the placement of children and the placement of  
21 adults with a developmental disability.

22 SECTION 3. IC 25-27-1-2, AS AMENDED BY P.L.160-2019,  
23 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
24 JULY 1, 2020]: Sec. 2. (a) Except as otherwise provided in this  
25 chapter, it is unlawful for a person or business entity to do the  
26 following:

27 (1) Practice physical therapy without first obtaining from the  
28 board a license authorizing the person to practice physical therapy  
29 in this state.

30 (2) Profess to be or promote an employee to be a physical  
31 therapist, physiotherapist, doctor of physiotherapy, doctor of  
32 physical therapy, or registered physical therapist or to use the  
33 initials "P.T.", "D.P.T.", "L.P.T.", or "R.P.T.", or any other letters,  
34 words, abbreviations, or insignia indicating that physical therapy  
35 is provided by a physical therapist, unless physical therapy is  
36 provided by or under the direction of a physical therapist.

37 (3) Advertise services for physical therapy or physiotherapy  
38 services, unless the individual performing those services is a  
39 physical therapist.

40 (b) Except as provided in **subsection (e) and** section 2.5 of this  
41 chapter, it is unlawful for a person to practice physical therapy other  
42 than upon the order or referral of a physician, podiatrist, psychologist,



1 chiropractor, dentist, nurse practitioner, or physician assistant holding  
 2 an unlimited license to practice medicine, podiatric medicine,  
 3 psychology, chiropractic, dentistry, nursing, or as a physician assistant,  
 4 respectively. It is unlawful for a physical therapist to use the services  
 5 of a physical therapist assistant except as provided under this chapter.

6 For the purposes of this subsection, the function of:

- 7 (1) teaching;
- 8 (2) doing research;
- 9 (3) providing advisory services; or
- 10 (4) conducting seminars on physical therapy;

11 is not considered to be a practice of physical therapy.

12 (c) Except as otherwise provided in this chapter, it is unlawful for  
 13 a person to profess to be or act as a physical therapist assistant or to use  
 14 the initials "P.T.A." or any other letters, words, abbreviations, or  
 15 insignia indicating that the person is a physical therapist assistant  
 16 without first obtaining from the board a certificate authorizing the  
 17 person to act as a physical therapist assistant. It is unlawful for the  
 18 person to act as a physical therapist assistant other than under the  
 19 general supervision of a licensed physical therapist who is in  
 20 responsible charge of a patient. However, nothing in this chapter  
 21 prohibits a person licensed or registered in this state under another law  
 22 from engaging in the practice for which the person is licensed or  
 23 registered. These exempted persons include persons engaged in the  
 24 practice of osteopathic medicine, chiropractic, or podiatric medicine.

25 (d) Except as provided in section 2.5 of this chapter, this chapter  
 26 does not authorize a person who is licensed as a physical therapist or  
 27 certified as a physical therapist assistant to:

- 28 (1) evaluate any physical disability or mental disorder except  
 29 upon the order or referral of a physician, podiatrist, psychologist,  
 30 chiropractor, physician assistant, nurse practitioner, or dentist;
- 31 (2) practice medicine, surgery (as described in  
 32 IC 25-22.5-1-1.1(a)(1)(C)), dentistry, optometry, osteopathic  
 33 medicine, psychology, chiropractic, or podiatric medicine; or
- 34 (3) prescribe a drug or other remedial substance used in medicine.

35 **(e) Upon the referral of a licensed school psychologist, a physical  
 36 therapist who is:**

- 37 **(1) licensed under this article; and**
- 38 **(2) an employee or contractor of a school corporation;**
- 39 **may provide mandated school services to a student that are within**  
 40 **the physical therapist's scope of practice.**

