



January 24, 2020

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## SENATE BILL No. 142

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DIGEST OF SB 142 (Updated January 22, 2020 2:47 pm - DI 104)

**Citations Affected:** IC 12-15; IC 20-28; IC 25-27.

**Synopsis:** Medicaid reimbursement for schools. Allows the office of the secretary of family and social services to apply for a Medicaid state plan amendment to allow school corporations to seek Medicaid reimbursement for medically necessary, school-based Medicaid covered services that are provided under federal or state mandates. Specifies possible services for Medicaid reimbursement. Adds physical therapy to the list of services a school psychologist may refer a student. Allows a school psychologist to make referrals to physical therapists for mandated school services.

**Effective:** July 1, 2020.

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**Zay, Charbonneau, Ford Jon,  
Ford J.D., Grooms, Becker, Breaux,  
Ruckelshaus, Crider, Leising, Melton**

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January 6, 2020, read first time and referred to Committee on Health and Provider Services.  
January 23, 2020, amended, reported favorably — Do Pass.

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SB 142—LS 6493/DI 104





January 24, 2020

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

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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

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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) **The office may apply to the United States Department of**  
12 **Health and Human Services for a state plan amendment to allow**  
13 **school corporations to seek Medicaid reimbursement for medically**  
14 **necessary, school-based Medicaid covered services that are**  
15 **provided under federal or state mandates. If the state plan**  
16 **amendment is approved and implemented, services may be**  
17 **provided by a qualified practitioner in a school setting to Medicaid**  
18 **enrolled students. The services may include the following:**

19 (1) **Those pursuant to any of the following:**

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

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

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

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

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

28 (2) **Medically necessary, Medicaid covered nursing services**  
29 **provided by a licensed and qualified practitioner under**  
30 **IC 25-23-1.**

31 **The office may, in consultation with the department of education,**  
32 **develop any necessary state plan amendment under this subsection.**  
33 **The office may apply for any state plan amendment necessary to**  
34 **implement this subsection.**

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

38 (1) Administering, scoring, and interpreting educational,  
39 cognitive, career, vocational, behavioral, and affective tests and  
40 procedures that address a student's:

41 (A) education;

42 (B) developmental status;



- 1 (C) attention skills; and  
 2 (D) social, emotional, and behavioral functioning;  
 3 as they relate to the student's learning or training in the academic  
 4 or vocational environment.
- 5 (2) Providing consultation, collaboration, and intervention  
 6 services (not including psychotherapy) and providing referral to  
 7 community resources to:  
 8 (A) students;  
 9 (B) parents of students;  
 10 (C) teachers;  
 11 (D) school administrators; and  
 12 (E) school staff;  
 13 concerning learning and performance in the educational process.
- 14 (3) Participating in or conducting research relating to a student's  
 15 learning and performance in the educational process:  
 16 (A) regarding the educational, developmental, career,  
 17 vocational, or attention functioning of the student; or  
 18 (B) screening social, affective, and behavioral functioning of  
 19 the student.
- 20 (4) Providing inservice or continuing education services relating  
 21 to learning and performance in the educational process to schools,  
 22 parents, or others.
- 23 (5) Supervising school psychology services.
- 24 (6) Referring a student to:  
 25 (A) a speech-language pathologist or an audiologist licensed  
 26 under IC 25-35.6 for services for speech, hearing, and  
 27 language disorders; ~~or~~  
 28 (B) an occupational therapist licensed under IC 25-23.5 for  
 29 occupational therapy services; ~~or~~  
 30 **(C) a physical therapist licensed under IC 25-27 for**  
 31 **mandated school services within a physical therapist's**  
 32 **scope of practice;**  
 33 by a school psychologist who is employed by a school corporation  
 34 and who is defined as a practitioner of the healing arts for the  
 35 purpose of referrals under 42 CFR 440.110.
- 36 The term does not include the diagnosis or treatment of mental and  
 37 nervous disorders, except for conditions and interventions provided for  
 38 in state and federal mandates affecting special education and  
 39 vocational evaluations as the evaluations relate to the assessment of  
 40 handicapping conditions and special education decisions or as the  
 41 evaluations pertain to the placement of children and the placement of  
 42 adults with a developmental disability.



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

6 (1) Practice physical therapy without first obtaining from the  
 7 board a license authorizing the person to practice physical therapy  
 8 in this state.

9 (2) Profess to be or promote an employee to be a physical  
 10 therapist, physiotherapist, doctor of physiotherapy, doctor of  
 11 physical therapy, or registered physical therapist or to use the  
 12 initials "P.T.", "D.P.T.", "L.P.T.", or "R.P.T.", or any other letters,  
 13 words, abbreviations, or insignia indicating that physical therapy  
 14 is provided by a physical therapist, unless physical therapy is  
 15 provided by or under the direction of a physical therapist.

16 (3) Advertise services for physical therapy or physiotherapy  
 17 services, unless the individual performing those services is a  
 18 physical therapist.

19 (b) Except as provided in **subsection (e) and** section 2.5 of this  
 20 chapter, it is unlawful for a person to practice physical therapy other  
 21 than upon the order or referral of a physician, podiatrist, psychologist,  
 22 chiropractor, dentist, nurse practitioner, or physician assistant holding  
 23 an unlimited license to practice medicine, podiatric medicine,  
 24 psychology, chiropractic, dentistry, nursing, or as a physician assistant,  
 25 respectively. It is unlawful for a physical therapist to use the services  
 26 of a physical therapist assistant except as provided under this chapter.

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

28 (1) teaching;

29 (2) doing research;

30 (3) providing advisory services; or

31 (4) conducting seminars on physical therapy;

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

33 (c) Except as otherwise provided in this chapter, it is unlawful for  
 34 a person to profess to be or act as a physical therapist assistant or to use  
 35 the initials "P.T.A." or any other letters, words, abbreviations, or  
 36 insignia indicating that the person is a physical therapist assistant  
 37 without first obtaining from the board a certificate authorizing the  
 38 person to act as a physical therapist assistant. It is unlawful for the  
 39 person to act as a physical therapist assistant other than under the  
 40 general supervision of a licensed physical therapist who is in  
 41 responsible charge of a patient. However, nothing in this chapter  
 42 prohibits a person licensed or registered in this state under another law



1 from engaging in the practice for which the person is licensed or  
2 registered. These exempted persons include persons engaged in the  
3 practice of osteopathic medicine, chiropractic, or podiatric medicine.

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

7 (1) evaluate any physical disability or mental disorder except  
8 upon the order or referral of a physician, podiatrist, psychologist,  
9 chiropractor, physician assistant, nurse practitioner, or dentist;

10 (2) practice medicine, surgery (as described in  
11 IC 25-22.5-1-1.1(a)(1)(C)), dentistry, optometry, osteopathic  
12 medicine, psychology, chiropractic, or podiatric medicine; or

13 (3) prescribe a drug or other remedial substance used in medicine.

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

16 **(1) licensed under this article; and**

17 **(2) an employee or contractor of a school corporation;**

18 **may provide mandated school services to a student that are within  
19 the physical therapist's scope of practice.**



## COMMITTEE REPORT

Madam President: The Senate Committee on Health and Provider Services, to which was referred Senate Bill No. 142, 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, delete lines 11 through 16, begin a new paragraph and insert:

**"(e) The office may apply to the United States Department of Health and Human Services for a state plan amendment to allow school corporations to seek Medicaid reimbursement for medically necessary, school-based Medicaid covered services that are provided under federal or state mandates. If the state plan amendment is approved and implemented, services may be provided by a qualified practitioner in a school setting to Medicaid enrolled students. The services may include the following:**

**(1) Those pursuant to any of the following:"**

Page 2, delete lines 25 through 42, begin a new line block indented and insert:

**"(2) Medically necessary, Medicaid covered nursing services provided by a licensed and qualified practitioner under IC 25-23-1.**

**The office may, in consultation with the department of education, develop any necessary state plan amendment under this subsection. The office may apply for any state plan amendment necessary to implement this subsection."**

Page 3, delete lines 1 through 13.

and when so amended that said bill do pass.

(Reference is to SB 142 as introduced.)

CHARBONNEAU, Chairperson

Committee Vote: Yeas 10, Nays 0.

