

# SENATE BILL No. 243

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 12-15-11; IC 25-1-9.9.

**Synopsis:** Medicaid credentialing and employment contracts. Requires a provider to include the address where the services were provided for a reimbursement claim to the office of the secretary of family and social services or the managed care organization. Specifies requirements for credentialing a provider for participation in the Medicaid program. Establishes a provisional credential for reimbursement purposes until a decision is made on a provider's credentialing application. Allows for retroactive reimbursement. Prohibits employment contracts between employers and practitioner employees to include non-compete agreements.

**Effective:** July 1, 2020.

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January 9, 2020, read first time and referred to Committee on Health and Provider Services.

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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.

# SENATE BILL No. 243

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

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

1 SECTION 1. IC 12-15-11-5, AS AMENDED BY P.L.195-2018,  
2 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2020]: Sec. 5. (a) A provider who participates in the Medicaid  
4 program must comply with the enrollment requirements that are  
5 established under rules adopted under IC 4-22-2 by the secretary.

6 (b) A provider who participates in the Medicaid program may be  
7 required to use the centralized credentials verification organization  
8 established in section 9 of this chapter: **include the address where the**  
9 **services were provided for the claim to the office or the managed**  
10 **care organization in order to obtain reimbursement for the claim.**

11 SECTION 2. IC 12-15-11-6 IS AMENDED TO READ AS  
12 FOLLOWS [EFFECTIVE JULY 1, 2020]: Sec. 6. (a) After a provider  
13 signs a provider agreement under this chapter, the office may not  
14 exclude the provider from participating in the Medicaid program by  
15 entering into an exclusive contract with another provider or group of  
16 providers, except as provided under section 7 of this chapter.

17 (b) **The office or a managed care organization contracting with**



1 **the office may not prohibit a provider from participating in a**  
 2 **network of another insurer, managed care organization, or health**  
 3 **maintenance organization.**

4 SECTION 3. IC 12-15-11-9, AS ADDED BY P.L.195-2018,  
 5 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 6 JULY 1, 2020]: Sec. 9. (a) The office shall implement a centralized  
 7 ~~credentials verification organization and~~ credentialing process that:

- 8 (1) uses a common application, as determined by provider type;  
 9 (2) issues a single credentialing decision applicable to all  
 10 Medicaid programs, except as determined by the office, **not later**  
 11 **than thirty (30) days from the date of application;**  
 12 (3) recredentials and revalidates provider information not less  
 13 than once every three (3) years; **and**  
 14 ~~(4) requires attestation of enrollment and credentialing~~  
 15 ~~information every six (6) months; and~~  
 16 ~~(5) (4) is certificated or accredited by the National Committee for~~  
 17 ~~Quality Assurance or its successor organization; **subject to**~~  
 18 ~~**subsection (h), provides retroactive reimbursement to the date**~~  
 19 ~~**of the credentialing application for a provider that is**~~  
 20 ~~**approved.**~~

21 (b) A managed care organization or contractor of the office may not  
 22 require additional credentialing requirements in order to participate in  
 23 a managed care organization's network. However, a contractor may  
 24 collect additional information from the provider in order to complete  
 25 a contract or provider agreement.

26 (c) A managed care organization or contractor of the office is not  
 27 required to contract with a provider.

28 (d) A managed care organization or contractor of the office shall:

- 29 (1) send representatives to meetings and participate in the  
 30 credentialing process as determined by the office; and  
 31 (2) not require additional credentialing information from a  
 32 provider if a non-network credentialed provider is used.

33 (e) Except when a provider is no longer enrolled with the office, a  
 34 credential acquired under this chapter is valid until recredentialing is  
 35 required.

36 (f) An adverse action under this section is subject to IC 4-21.5.

37 (g) The office may adopt rules under IC 4-22-2 to implement this  
 38 section.

39 ~~(h) The office may adopt emergency rules to implement this section.~~  
 40 ~~However, an emergency rule adopted under this section expires the~~  
 41 ~~earlier of:~~

- 42 ~~(1) one (1) year after the rule was accepted for filing under~~



1 IC 4-22-2-37.1(e); or

2 (2) June 30, 2019.

3 This subsection expires July 1, 2019.

4 (i) The office shall report the timeliness of determinations made  
5 under this section to the legislative council in an electronic format  
6 under IC 5-14-6 not later than December 31, 2018. This subsection  
7 expires January 1, 2019.

8 (h) A provider that submits a credentialing application that  
9 includes incomplete or incorrect information is not eligible for  
10 retroactive reimbursement under subsection (a). A typographical  
11 error does not constitute incorrect information for purposes of this  
12 subsection.

13 (i) The office and the managed care organization shall issue a  
14 provisional credentialing license to a provider upon the submission  
15 by the provider of a complete credentialing application and  
16 verification by the office or the managed care organization that the  
17 provider holds a valid license in Indiana for the profession for  
18 which the provider is seeking to be credentialed. The provisional  
19 credentialing license is valid until a determination is made on the  
20 credentialing application of the provider.

21 SECTION 4. IC 25-1-9.9 IS ADDED TO THE INDIANA CODE  
22 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
23 JULY 1, 2020]:

24 **Chapter 9.9. Practitioner Employment Contracts And**  
25 **Non-Compete Agreements**

26 **Sec. 1. This chapter applies to an employment contract entered**  
27 **into, modified, renewed, or extended after June 30, 2020.**

28 **Sec. 2. As used in this chapter, "employee" means a practitioner**  
29 **(as defined in IC 25-1-9-2) employed by an employer for wages or**  
30 **salary. The term includes an individual who has received an offer**  
31 **of employment from a prospective employer.**

32 **Sec. 3. As used in this chapter, "employer" means an individual,**  
33 **corporation, partnership, limited liability company, or any other**  
34 **legal entity that has at least one (1) employee and is legally doing**  
35 **business in Indiana.**

36 **Sec. 4. As used in this chapter, "non-compete agreement" means**  
37 **a contractual provision by which an employer attempts to limit an**  
38 **employee's ability to seek future employment or engage in future**  
39 **business activity after the employment relationship has terminated.**

40 **Sec. 5. An employment contract entered into by an employer**  
41 **and employee may not contain a non-compete agreement.**

42 **Sec. 6. A non-compete agreement in an employment contract in**



1 **violation of this chapter is unenforceable and void.**

