SENATE BILL No. 243

DIGEST OF SB 243 (Updated January 29, 2020 1:24 pm - DI 104)

Citations Affected: IC 12-7; IC 12-15; IC 25-1.

Synopsis: Medicaid credentialing and employment contracts. Requires a provider to include the service facility location in order to obtain Medicaid reimbursement from 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.

Brown L, Charbonneau

January 9, 2020, read first time and referred to Committee on Health and Provider Services.
January 30, 2020, amended, reported favorably — Do Pass.

SB 243—LS 6862/DI 104

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 12-7-2-174.7 IS ADDED TO THE INDIANA
2　CODE AS A **NEW** SECTION TO READ AS FOLLOWS
3　[EFFECTIVE JULY 1, 2020]: **Sec. 174.7. (a) "Service facility**
4　**location", for purposes of IC 12-15-11, means the address where**
5　**the services of a provider facility or practitioner were provided.**
6　　　**(b) The term consists of exact address and place of service codes**
7　**as required on CMS forms 1500 and 1450, including an office,**
8　**on-campus location of a hospital, and off-campus location of a**
9　**hospital.**
10　　　SECTION 2. IC 12-15-11-5, AS AMENDED BY P.L.195-2018,
11　SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
12　JULY 1, 2020]: Sec. 5. (a) A provider who participates in the Medicaid
13　program must comply with the enrollment requirements that are
14　established under rules adopted under IC 4-22-2 by the secretary.
15　　　(b) A provider who participates in the Medicaid program may be
16　required to ~~use the centralized credentials verification organization~~
17　~~established in section 9 of this chapter.~~ **include the address of the**

1 **service facility location in order to obtain Medicaid reimbursement**
2 **for a claim for health care services from the office or a managed**
3 **care organization.**
4 **(c) The office or a managed care organization is not required to**
5 **accept a claim for health care services that does not contain the**
6 **service facility location.**
7 SECTION 3. IC 12-15-11-6 IS AMENDED TO READ AS
8 FOLLOWS [EFFECTIVE JULY 1, 2020]: Sec. 6. **(a)** After a provider
9 signs a provider agreement under this chapter, the office may not
10 exclude the provider from participating in the Medicaid program by
11 entering into an exclusive contract with another provider or group of
12 providers, except as provided under section 7 of this chapter.
13 **(b) The office or a managed care organization contracting with**
14 **the office may not prohibit a provider from participating in a**
15 **network of another insurer, managed care organization, or health**
16 **maintenance organization.**
17 SECTION 4. IC 12-15-11-9, AS ADDED BY P.L.195-2018,
18 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
19 JULY 1, 2020]: Sec. 9. (a) The office shall implement a centralized
20 ~~credentials verification organization and~~ credentialing process that:
21 (1) uses a common application, as determined by provider type;
22 (2) issues a single credentialing decision applicable to all
23 Medicaid programs, except as determined by the office, **not later**
24 **than thirty (30) days from the date of application;**
25 (3) recredentials and revalidates provider information not less
26 than once every three (3) years; **and**
27 ~~(4) requires attestation of enrollment and credentialing~~
28 ~~information every six (6) months; and~~
29 ~~(5)~~ **(4)** ~~is certificated or accredited by the National Committee for~~
30 ~~Quality Assurance or its successor organization.~~ **subject to**
31 **subsection (h), provides retroactive reimbursement to the date**
32 **of the credentialing application for a provider that is**
33 **approved.**
34 (b) A managed care organization or contractor of the office may not
35 require additional credentialing requirements in order to participate in
36 a managed care organization's network. However, a contractor may
37 collect additional information from the provider in order to complete
38 a contract or provider agreement.
39 (c) A managed care organization or contractor of the office is not
40 required to contract with a provider.
41 (d) A managed care organization or contractor of the office shall:
42 (1) send representatives to meetings and participate in the

1   credentialing process as determined by the office; and
2   (2) not require additional credentialing information from a
3   provider if a non-network credentialed provider is used.
4   (e) Except when a provider is no longer enrolled with the office, a
5   credential acquired under this chapter is valid until recredentialing is
6   required.
7   (f) An adverse action under this section is subject to IC 4-21.5.
8   (g) The office may adopt rules under IC 4-22-2 to implement this
9   section.
10   (h) The office may adopt emergency rules to implement this section.
11   However, an emergency rule adopted under this section expires the
12   earlier of:
13   (1) one (1) year after the rule was accepted for filing under
14   IC 4-22-2-37.1(e); or
15   (2) June 30, 2019.
16   This subsection expires July 1, 2019.
17   (i) The office shall report the timeliness of determinations made
18   under this section to the legislative council in an electronic format
19   under IC 5-14-6 not later than December 31, 2018. This subsection
20   expires January 1, 2019.
21   **(h) A provider that submits a credentialing application that**
22   **includes incomplete or incorrect information is not eligible for**
23   **retroactive reimbursement under subsection (a). A typographical**
24   **error does not constitute incorrect information for purposes of this**
25   **subsection.**
26   **(i) The office and the managed care organization shall issue a**
27   **provisional credentialing license to a provider upon the submission**
28   **by the provider of a complete credentialing application and**
29   **verification by the office or the managed care organization that the**
30   **provider holds a valid license in Indiana for the profession for**
31   **which the provider is seeking to be credentialed. The provisional**
32   **credentialing license is valid until a determination is made on the**
33   **credentialing application of the provider.**
34   SECTION 5. IC 25-1-9.9 IS ADDED TO THE INDIANA CODE
35   AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
36   JULY 1, 2020]:
37   **Chapter 9.9. Practitioner Employment Contracts And**
38   **Non-Compete Agreements**
39   **Sec. 1. This chapter applies to an employment contract entered**
40   **into, modified, renewed, or extended after June 30, 2020.**
41   **Sec. 2. As used in this chapter, "employee" means a practitioner**
42   **(as defined in IC 25-1-9-2) employed by an employer for wages or**

1   **salary. The term includes an individual who has received an offer**
2   **of employment from a prospective employer.**
3   **Sec. 3. As used in this chapter, "employer" means an individual,**
4   **corporation, partnership, limited liability company, or any other**
5   **legal entity that has at least one (1) employee and is legally doing**
6   **business in Indiana.**
7   **Sec. 4. As used in this chapter, "non-compete agreement" means**
8   **a contractual provision by which an employer attempts to limit an**
9   **employee's ability to seek future employment or engage in future**
10   **business activity after the employment relationship has terminated.**
11   **Sec. 5. An employment contract entered into by an employer**
12   **and employee may not contain a non-compete agreement.**
13   **Sec. 6. A non-compete agreement in an employment contract in**
14   **violation of this chapter is unenforceable and void.**

COMMITTEE REPORT

Madam President: The Senate Committee on Health and Provider Services, to which was referred Senate Bill No. 243, 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 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 12-7-2-174.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2020]: **Sec. 174.7. (a) "Service facility location", for purposes of IC 12-15-11, means the address where the services of a provider facility or practitioner were provided.**

(b) The term consists of exact address and place of service codes as required on CMS forms 1500 and 1450, including an office, on-campus location of a hospital, and off-campus location of a hospital.".

Page 1, line 8, delete "where the" and insert "**of the service facility location in order to obtain Medicaid reimbursement for a claim for health care services from the office or a managed care organization.**

(c) The office or a managed care organization is not required to accept a claim for health care services that does not contain the service facility location.".

Page 1, delete lines 9 through 10.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 243 as introduced.)

CHARBONNEAU, Chairperson

Committee Vote: Yeas 11, Nays 0.