

PROPOSED AMENDMENT

HB 1012 # 2

DIGEST

Medicaid. Provides that, for the state fiscal year beginning July 1, 2026, and ending June 30, 2027, appropriations in the budget bill for Medicaid assistance in an amount sufficient to cover costs incurred by the office of the secretary of family and social services (office) in carrying out specified duties that remain unexpended and unencumbered at the close of the state fiscal year and that would otherwise lapse and be returned to the state general fund do not revert to the state general fund, but instead shall remain available to the office to cover these costs. Amends the duties of the office concerning home and community based services waivers (waiver). Amends the information that must be provided: (1) in a monthly statement to a recipient of waiver services; and (2) in a notice of ineligibility for Medicaid. Sets forth requirements for conducting an audit of a provider of waiver services. Requires a recipient's case manager to provide assistance to the recipient in reviewing the monthly statements and reporting any errors. Requires the office to review certain bank accounts in determining an individual's Medicaid eligibility. Changes the timeframe in which a provider must provide billing records to an individual.

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- 1 Page 2, between lines 19 and 20, begin a new paragraph and insert:
2 **"(e) Notwithstanding subsection (a), for the state fiscal year**
3 **beginning July 1, 2026, and ending June 30, 2027, appropriations**
4 **in the budget bill for Medicaid assistance in an amount sufficient**
5 **to cover costs incurred by the office of the secretary in:**
6 **(1) carrying out the office of the secretary's duties under:**
7 **(A) IC 12-8-1.6-4(b)(9) through IC 12-8-1.6(b)(16); and**
8 **(B) IC 12-8-1.6-8.5; and**
9 **(2) implementing the home and community based services**
10 **waiver waiting list assistance fund established by**
11 **IC 12-8-1.6-11.5;**
12 **that remain unexpended and unencumbered at the close of the**
13 **state fiscal year and that would otherwise lapse and be returned to**
14 **the state general fund shall not revert to the state general fund, but**
15 **instead shall remain available to the office of the secretary to cover**
16 **costs described in subdivisions (1) and (2). The appropriations are**
17 **not subject to allotment under IC 4-12-1-12."**
18 Page 3, line 32, delete "Provide a monthly statement in electronic
19 form," and insert **"Beginning not later than January 1, 2027, provide**
20 **a monthly statement by electronic means as the default method of**

1 delivery,".

2 Page 3, delete lines 36 through 39, begin a new line double block
3 indented and insert:

4 **"(A) The amount the state paid for:**

5 **(i) home and community based services waiver services;**

6 **and**

7 **(ii) Medicaid medical services;**

8 **provided to the recipient during the preceding month."**

9 Page 3, line 40, delete "(C)" and insert "(B)".

10 Page 3, line 41, delete "Annually" and insert **"Beginning not later**
11 **than January 1, 2027, annually"**.

12 Page 4, line 9, after "and" insert **"per capita"**.

13 Page 4, line 19, delete "patients" and insert **"clients"**.

14 Page 4, line 38, delete "Review" and insert **"In collaboration with**
15 **the division of disability and rehabilitative services advisory**
16 **council established by IC 12-9-4-2, review"**.

17 Page 4, line 40, delete "waiver, including removing" and insert
18 **"waiver."**

19 Page 4, delete lines 41 through 42.

20 Page 5, delete lines 5 through 6.

21 Page 5, between lines 12 and 13, begin a new paragraph and insert:

22 "SECTION 1. IC 12-8-1.6-8.5 IS ADDED TO THE INDIANA
23 CODE AS A NEW SECTION TO READ AS FOLLOWS
24 [EFFECTIVE JULY 1, 2026]: **Sec. 8.5. (a) As used in this section,**
25 **"provider" refers to a provider of services under a home and**
26 **community based services waiver.**

27 **(b) As used in this section, "recipient" means an individual who**
28 **receives services under a home and community based services**
29 **waiver.**

30 **(c) Before July 1, 2028, the office of the secretary shall conduct**
31 **an audit of a provider that:**

32 **(1) provides services to less than ten (10) recipients; and**

33 **(2) either:**

34 **(A) has not been audited by or on behalf of the office of the**
35 **secretary; or**

36 **(B) was audited by or on behalf of the office of the**
37 **secretary before July 1, 2021.**

38 **(d) After July 1, 2028, at least once each year, the office of the**
39 **secretary shall conduct an audit of each provider that provides**
40 **services to less than ten (10) recipients.**

(e) In conducting an audit under subsection (d), the office of the secretary shall do the following:

(1) Determine whether the provider is accredited by an approved national accrediting body (as defined in IC 12-11-1.1-1(j)).

(2) Evaluate whether the provider is able to deliver services without interruption for at least three (3) consecutive months in the absence of payment for services."

Page 5, line 15, delete "In order to continue to" and insert "(a) An individual receiving services under a home and community based services waiver shall do the following:".

Page 5, delete lines 16 through 18.

Page 5, between lines 26 and 27, begin a new paragraph and insert:

"(b) Upon request, the case manager of a recipient described in subsection (a) shall do the following:

(1) Assist the recipient in reviewing the recipient's monthly statement described in subsection (a)(1).

(2) Assist in reporting and resolving any error or inconsistency under subsection (a)."

Page 6, line 21, after "Sec. 27." insert "(a)".

Page 6, between lines 24 and 25, begin a new paragraph and insert:

"(b) In determining an individual's eligibility for Medicaid under this article based on the individual's total equity value of nonexempt property, the office of the secretary shall review each of an individual's bank account that is both:

(1) active; and

(2) contains assets;

at the time of the eligibility determination.

(c) When the office of the secretary issues a notice of ineligibility under this section, the office of secretary shall:

(1) use plain language; and

(2) identify each bank account reviewed under subsection (b), including the name of the financial institution and last four (4) numbers of the account."

Page 6, delete lines 30 through 34, begin a new line block indented and insert:

"(1) Upon request by an individual receiving services under the waiver or the individual's legal guardian, but not more than once per calendar quarter, provide to the individual or the individual's legal guardian the provider's accounting

- 1 **records of service delivery for the recipient."**
- 2 Page 6, line 35, delete "Biannually" and insert "**Upon request, but**
- 3 **not more than twice per calendar year,"**.
- 4 Renumber all SECTIONS consecutively.
 (Reference is to HB 1012 as introduced.)