

HOUSE BILL No. 1162

DIGEST OF INTRODUCED BILL

Citations Affected: IC 12-7-2; IC 12-8-1.6-5.5.

Synopsis: Medicaid waiver direct care staff compensation. Sets forth requirements for a home and community based services attendant care service Medicaid provider to meet in the use of the state fund share of Medicaid reimbursement for compensation of direct care staff. Requires the provider to submit a cost report annually to verify compliance.

Effective: July 1, 2026.

Novak

January 5, 2026, read first time and referred to Committee on Public Health.



Second Regular Session of the 124th General Assembly (2026)

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 2025 Regular Session of the General Assembly.

HOUSE BILL No. 1162

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 12-7-2-40.3 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2026]: **Sec. 40.3. "Compensation", for purposes of**
4 **IC 12-8-1.6-5.5, has the meaning set forth in IC 12-8-1.6-5.5(a).**
5 SECTION 2. IC 12-7-2-62.5 IS ADDED TO THE INDIANA CODE
6 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
7 1, 2026]: **Sec. 62.5. "Direct care staff", for purposes of**
8 **IC 12-8-1.6-5.5, has the meaning set forth in IC 12-8-1.6-5.5(b).**
9 SECTION 3. IC 12-8-1.6-5.5 IS ADDED TO THE INDIANA
10 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
11 [EFFECTIVE JULY 1, 2026]: **Sec. 5.5. (a) As used in this section,**
12 **"compensation" means any of the following:**
13 **(1) Salaries and wages.**
14 **(2) Benefits, including the following:**
15 **(A) Paid time off.**
16 **(B) Health, dental, and vision insurance.**
17 **(C) Life and disability insurance.**



1 (D) Worker's compensation.

2 (E) Qualifying pensions and other retirement benefits.

3 (F) Tuition reimbursement.

4 (G) The employer's share of payroll taxes.

5 (H) Travel reimbursement.

6 (I) Other remuneration under the federal Fair Labor
7 Standards Act of 1938, as amended (29 U.S.C. 201-219).

8 The term does not include office administrative costs, supervision,
9 or other program or overhead costs.

10 (b) As used in this section, "direct care staff" means an
11 employee of a home and community based services waiver
12 provider who provides direct, hands on care for a participant
13 under the home and community based services waiver.

14 (c) A provider that provides attendant care services under a
15 home and community based services waiver must use at least
16 seventy percent (70%) of the state share of Medicaid per diem
17 reimbursement for the services provided on compensation for the
18 provider's direct care staff providing attendant care services.

19 (d) A provider described in subsection (c) shall, not later than
20 June 30 of each year, submit a direct care staff cost report to the
21 office of the secretary documenting that the provider has complied
22 with subsection (c). The report must meet at least the following
23 requirements:

24 (1) Be based upon actual, documented expenditures.

25 (2) Be attested to by an authorized representative of the
26 provider.

27 (3) Include the following information for the previous
28 calendar year:

29 (A) The provider's total attendant care revenue under a
30 home and community based services waiver.

31 (B) The total spent as compensation for direct care staff
32 providing attendant care services, separated by each
33 category described in subsection (a).

34 (C) The total dollars spent on supervision costs for direct
35 care staff.

36 (D) The total dollars spent on administrative, overhead,
37 and program support costs.

38 (4) Include any other information deemed relevant and
39 required by the office to ensure compliance with this section.

