



SENATE MOTION

MR. PRESIDENT:

I move that Engrossed House Bill 1277 be amended to read as follows:

- 1 Replace the effective date in SECTION 7 with "[EFFECTIVE JULY
2 1, 2025 (RETROACTIVE)]".
3 Page 6, between lines 14 and 15, begin a new paragraph and insert:
4 "SECTION 10. IC 12-15-5-17.5, AS AMENDED BY P.L. 138-2022,
5 SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
6 JULY 1, 2026]: Sec. 17.5. (a) The office shall report on its progress on
7 the development of a risk based managed care program or capitated
8 managed care program for Medicaid recipients who are eligible to
9 participate in the Medicare program (42 U.S.C. 1395 et seq.) and
10 receive nursing facility services to the interim study committee on
11 public health, behavioral health, and human services before November
12 1, 2021.
13 (b) Not later than February 1, 2022, the office shall report the
14 following information and analysis to the legislative council and budget
15 committee (in an electronic format under IC 5-14-6) regarding the
16 implementation of a risk based managed care program or capitated
17 managed care program for Medicaid recipients who are eligible to
18 participate in the Medicare program (42 U.S.C. 1395 et seq.) and
19 receive nursing facility services, as follows:
20 (1) The projected utilization of home and community based
21 services and institutional services for the four (4) years following
22 implementation, and including, but not limited to, information on:
23 (A) provider network adequacy;
24 (B) family caregiver programming; and
25 (C) costs and funding sources associated with creating and
26 maintaining adequate provider networks and family caregiving
27 programming.

- 1 (2) How administrative processes, including service approval and
- 2 billing processes, between managed care entities and providers of
- 3 services will be addressed or streamlined in a risk based managed
- 4 care program or capitated managed care program, with specific
- 5 discussion of uniform provider credentialing, the potential of a
- 6 single claims processing portal, and prior authorization processes.
- 7 (3) Projected total spending for a risk based managed care
- 8 program or capitated managed care program for the four (4) years
- 9 following implementation. Such information shall include the
- 10 identification of and impact on each source of state matching
- 11 funds and overall impact on the state general fund.
- 12 (4) The expected financial impacts of a risk based managed care
- 13 program or capitated managed care program on the available
- 14 amounts and use of the nursing facility quality assessment fee and
- 15 supplemental payments to nursing facilities that are owned and
- 16 operated by a governmental entity. Such information shall include
- 17 an analysis on whether either of these funding streams will be
- 18 diverted for uses other than the uses prior to implementation of a
- 19 risk based managed care program or capitated managed care
- 20 program and the effects on access to acute and post-acute care
- 21 services due to the expected financial impacts.

22 (c) A request for proposal for the procurement of a Medicaid
 23 program to enroll a Medicaid recipient who is eligible to participate in
 24 the Medicare program (42 U.S.C. 1395 et seq.) and receives nursing
 25 facility services in a risk based managed care program or capitated
 26 managed care program:

- 27 **(1) must comply with IC 12-15-13-1.9 and any other**
- 28 **applicable statute; and**
- 29 (2) may not be issued until the request for proposal has been
- 30 reviewed by the budget committee.

31 ~~(d) After the review of a request for proposal by the budget~~
 32 ~~committee under subsection (c), the office may not enter into a final~~
 33 ~~contract that would implement a program described in subsection (c)~~
 34 ~~before January 31, 2023.~~

35 SECTION 7. IC 12-15-12.7-7, AS ADDED BY P.L.174-2025,
 36 SECTION 41, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 37 JULY 1, 2025 (RETROACTIVE)]: Sec. 7. (a) This section applies to
 38 claims submitted for payment under the program by a nursing facility
 39 participating in the program.

40 (b) The managed care organization shall pay, deny, or suspend each
 41 claim submitted by a nursing facility provider for payment under the
 42 program not later than:

- 43 (1) twenty-one (21) days after the claim was electronically filed;
- 44 or
- 45 (2) thirty (30) days after a claim has been filed on paper;
- 46 from receipt by the managed care organization.

- 1 (c) If the managed care organization:
- 2 (1) fails to **accurately and fully** pay a clean claim in the time
- 3 required under this section; or
- 4 (2) denies or suspends a claim that is subsequently determined to
- 5 have been a clean claim when the claim was filed;
- 6 the managed care organization shall pay the provider interest on the
- 7 Medicaid allowable amount of the claim as set forth in this section.
- 8 (d) Interest paid under subsection (c):
- 9 (1) accrues beginning:
- 10 (A) twenty-two (22) days from the date the claim is filed under
- 11 subsection (b)(1); or
- 12 (B) thirty-one (31) days from the date the claim is filed under
- 13 subsection (b)(2); and
- 14 (2) stops accruing on the date the managed care organization pays
- 15 the claim.
- 16 (e) A managed care organization shall pay interest under subsection
- 17 (c) to a provider at the rate established for Medicare overpayments and
- 18 underpayments, as set forth in 42 CFR 405.378."
- 19 Page 6, line 17, delete "section," and insert "section **and section 1.9**
- 20 **of this chapter,**".
- 21 Page 6, line 20, delete "subsection (e)," and insert "**section 1.9 of**
- 22 **this chapter,**".
- 23 Page 6, line 36, after "to" insert "**accurately**".
- 24 Page 6, line 37, after "claim" insert "**in full that is**".
- 25 Page 7, line 1, delete "(e)" and insert "SECTION 9. IC 12-15-13-1.9
- 26 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO**
- 27 **READ AS FOLLOWS [EFFECTIVE MARCH 1, 2027]: Sec. 1.9."**
- 28 Page 7, after line 6, begin a new paragraph and insert:
- 29 "SECTION 11. **An emergency is declared for this act.**".
- 30 Renumber all SECTIONS consecutively.
- (Reference is to EHB 1277 as printed February 20, 2026.)

Senator BROWN L