

HOUSE BILL No. 1328

DIGEST OF INTRODUCED BILL

Citations Affected: IC 16-18-2; IC 16-21-20.

Synopsis: Charges for hospital administered drugs. Prohibits a hospital from billing for an administered drug an amount that exceeds the lesser of the following: (1) 120% of the Medicare reimbursement rate for the administered drug. (2) The amount the hospital bills for the administered drug on June 30, 2026. Creates an exception. Requires a hospital to update the Medicare reimbursement rate for an administered drug on January 1 and July 1 of each year.

Effective: July 1, 2026.

McGuire, Barrett

January 6, 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. 1328

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 16-18-2-2.5 IS ADDED TO THE INDIANA CODE
- 2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 3 1, 2026]: **Sec. 2.5. "Administered drug", for purposes of**
- 4 **IC 16-21-20, has the meaning set forth in IC 16-21-20-2.**
- 5 SECTION 2. IC 16-18-2-223.9 IS ADDED TO THE INDIANA
- 6 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
- 7 [EFFECTIVE JULY 1, 2026]: **Sec. 223.9. "Medicare reimbursement**
- 8 **rate", for purposes of IC 16-21-20, has the meaning set forth in**
- 9 **IC 16-21-20-3.**
- 10 SECTION 3. IC 16-21-20 IS ADDED TO THE INDIANA CODE
- 11 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
- 12 JULY 1, 2026]:
- 13 **Chapter 20. Billing for Administered Drugs**
- 14 **Sec. 1. This chapter does not apply to the following:**
- 15 **(1) A critical access hospital that meets the criteria under 42**
- 16 **CFR 485.601 through 42 CFR 485.647.**
- 17 **(2) The Medicaid program.**



1 **Sec. 2.** As used in this chapter, "administered drug" means a
2 drug delivered to the body of a person by injection, infusion,
3 ingestion, or any other means.

4 **Sec. 3.** As used in this chapter, "Medicare reimbursement rate"
5 refers to the rate the federal Centers for Medicare and Medicaid
6 Services pays for a drug or biological product under Medicare Part
7 B.

8 **Sec. 4. (a)** Except as provided in subsection (b), a hospital
9 licensed under this article may not submit a bill for an
10 administered drug in an amount that exceeds the lesser of the
11 following:

12 (1) One hundred twenty percent (120%) of the Medicare
13 reimbursement rate for the administered drug.

14 (2) The amount the hospital bills for the administered drug on
15 June 30, 2026.

16 **(b)** If the Medicare reimbursement rate for an administered
17 drug increases, a hospital may submit a bill for an administered
18 drug that exceeds the amount described in subsection (a)(2) only in
19 an amount that does not exceed the percentage increase in the
20 Medicare reimbursement rate applied to the amount billed by the
21 hospital for the drug on June 30, 2026.

22 **Sec. 5.** A hospital shall update the Medicare reimbursement rate
23 for each administered drug on:

24 (1) January 1; and

25 (2) July 1;

26 of each year based on the Medicare reimbursement rate published
27 by the federal Centers for Medicare and Medicaid Services for the
28 most recent calendar quarter.

