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# HOUSE BILL No. 1335

**AM133501 has been incorporated into introduced printing.**

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**Synopsis:** Nonprofit hospitals.

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2026

IN 1335—LS 7015/DI 104



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Introduced

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. 1335

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 16-18-2-56.4 IS ADDED TO THE INDIANA  
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
3 [EFFECTIVE JULY 1, 2026]: **Sec. 56.4. "Clinical department", for**  
4 **purposes of IC 16-21-9, has the meaning set forth in IC 16-21-9-0.5.**

5 SECTION 2. IC 16-18-2-288.5 IS ADDED TO THE INDIANA  
6 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
7 [EFFECTIVE JULY 1, 2026]: **Sec. 288.5. "Preceptor", for purposes**  
8 **of IC 16-21-9, has the meaning set forth in IC 16-21-9-3.4.**

9 SECTION 3. IC 16-21-9-0.5 IS ADDED TO THE INDIANA  
10 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
11 [EFFECTIVE JULY 1, 2026]: **Sec. 0.5. As used in this chapter,**  
12 **"clinical department" means a department of a nonprofit hospital**  
13 **that provides direct patient care services.**

14 SECTION 4. IC 16-21-9-3.4 IS ADDED TO THE INDIANA  
15 CODE AS A **NEW** SECTION TO READ AS FOLLOWS

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1 [EFFECTIVE JULY 1, 2026]: Sec. 3.4. As used in this chapter,  
2 "preceptor" means a licensed clinician who provides supervised  
3 clinical training to students enrolled in any of the following  
4 accredited programs:

- 5 (1) Medical.
- 6 (2) Nursing.
- 7 (3) Allied health.
- 8 (4) Behavioral health.

9 (5) A program related to a program described in  
10 subdivisions (1) through (4).

11 SECTION 5. IC 16-21-9-4 IS AMENDED TO READ AS  
12 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) A nonprofit  
13 hospital shall develop:

14 (1) an organizational mission statement that identifies the  
15 hospital's commitment to serving the health care needs of the  
16 community; and

17 (2) a community benefits plan defined as an operational plan for  
18 serving the community's health care needs that:

19 (A) sets out goals and objectives for providing community  
20 benefits that include charity care and government sponsored  
21 indigent health care; and

22 (B) identifies the populations and communities served by  
23 the hospital; and

24 (C) includes a preceptor as set forth in subsection (b).

25 A nonprofit hospital shall spend more on the nonprofit hospital's  
26 community benefits plan than on the nonprofit hospital's estimated  
27 value of tax exemptions, as calculated under section 7(a)(8) of this  
28 chapter.

29 (b) A nonprofit hospital shall maintain at least one (1)  
30 preceptor in at least sixty percent (60%) of the nonprofit hospital's  
31 clinical departments during each reporting year as part of the  
32 nonprofit hospital's community benefits plan requirement. A  
33 nonprofit hospital may satisfy this requirement through a  
34 combination of any of the following:

35 (1) Employed clinicians.

36 (2) Contracted clinicians.

37 (3) Shared preceptors participating in regional training  
38 partnerships.

39 (c) A nonprofit hospital may count preceptor activities as  
40 community benefits expenditures for reporting purposes under this  
41 chapter. Qualifying expenditures for the operation of a preceptor  
42 include the following:



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**(G) Subsidized health services.**

**(6) The nonprofit hospital's total community benefits expenditure.**

(7) For each expenditure described in subdivision (5), a description of how the expenditure aligns with at least one (1) priority specified in the nonprofit hospital's community health needs assessment filed under 26 U.S.C. 501(r).

**(8) An estimate of the financial value of all state and local tax exemptions under:**

- (A) IC 6-1.1;
- (B) IC 6-2.5; and
- (C) IC 6-3:

received by the nonprofit hospital during the reporting year.

Received by the nonprofit hospital during the Reporting year.

**(9) Measurable outcomes or progress indications related to the priorities specified in the nonprofit hospital's community health needs assessment filed under 26 U.S.C. 501(r).**

(b) Each nonprofit hospital shall annually file a report of the community benefits plan with the state department. For a hospital's fiscal year that ends before July 1, 2011, the report must be filed not later than one hundred twenty (120) days after the close of the hospital's fiscal year. For a hospital's fiscal year that ends after June 30, 2011, the report must be filed at the same time the nonprofit hospital files its annual return described under Section 6033 of the Internal Revenue Code that is timely filed under Section 6072(e) of the Internal Revenue Code, including any applicable extension authorized under Section 6081 of the Internal Revenue Code.

(c) Each nonprofit hospital shall **post the report on the nonprofit hospital's website and** prepare a statement that notifies the public that the annual report of the community benefits plan is:

(1) public information;  
(2) filed with the state department; and  
(3) available to the public on **the nonprofit hospital's website** and that a written copy will be provided to the public by the nonprofit hospital upon request. from the state department.

This statement shall be posted in prominent places throughout the hospital, including the emergency room waiting area and the admissions office waiting area. The statement shall also be printed in the hospital patient guide or other material that provides the patient with information about the admissions criteria of the hospital.

(d) Each nonprofit hospital shall develop a written notice about any charity care program operated by the hospital and how to apply for charity care. The notice must be in appropriate languages if possible.



1       The notice must also be conspicuously posted in the following areas:  
 2       (1) The general waiting area.  
 3       (2) The waiting area for emergency services.  
 4       (3) The business office.  
 5       (4) Any other area that the hospital considers an appropriate area  
 6       in which to provide notice of a charity care program.

7       **(e) The state department, in consultation with the department**  
 8       **of state revenue, shall annually do the following for each nonprofit**  
 9       **hospital:**

- 10       (1) Review each community benefits plan report submitted  
 11       by a nonprofit hospital under this section for accuracy,  
 12       completeness, and compliance.
- 13       (2) Verify compliance with the expenditure alignment  
 14       requirement under subsection (a)(7).
- 15       (3) Assess whether the nonprofit hospital's community  
 16       benefits plan expenditures exceed the tax exemption  
 17       information submitted under subsection (a)(8).

18       **(f) The state department shall publish a statewide community**  
 19       **benefits summary report of all of the reports submitted under this**  
 20       **section and post the summary report on the state department's**  
 21       **website.**

22       SECTION 7. IC 16-21-9-8 IS AMENDED TO READ AS  
 23       FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 8. **(a)** The state  
 24       department may assess a civil penalty against a nonprofit hospital that  
 25       fails to **do the following:**

- 26       **(1) Comply with section 4 of this chapter.**
- 27       **(2) Make a report of the community benefits plan as required**  
 28       **under this chapter.**
- 29       **(3) Otherwise comply with this chapter.**

30       **(b) For a violation of subsection (a)(1) or (a)(3), the state**  
 31       **department may take any of the following actions:**

- 32       **(1) Require the nonprofit hospital to submit a corrective**  
 33       **action plan.**
- 34       **(2) Impose a civil penalty in an amount not to exceed ten**  
 35       **thousand dollars (\$10,000) per violation if the nonprofit**  
 36       **hospital:**

  - 37       **(A) fails to submit a corrective action plan;**
  - 38       **(B) fails to comply with the corrective action plan; or**
  - 39       **(C) continuously violates subsection (a)(1) or (a)(3).**

40       A penalty imposed under this subsection shall be deposited in the  
 41       state general fund.

42       **(c) For a violation of subsection (a)(2), the penalty may not**



1 exceed one thousand dollars (\$1,000) for each day a report is  
2 delinquent after the date on which the report is due. No penalty may be  
3 assessed against a hospital under this **section subsection** until thirty  
4 (30) business days have elapsed after written notification to the hospital  
5 of its failure to file a report.

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