

# HOUSE BILL No. 1405

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 12-7-2; IC 12-10-16.5; IC 35-52-12-1.5.

**Synopsis:** Prescription drug assistance program for the elderly. Establishes the prescription drug assistance program for the elderly (program) to be administered by the division of aging. Sets forth requirements of the program. Establishes the prescription drug assistance program for the elderly fund. Creates a Class A misdemeanor for fraud under the program.

**Effective:** July 1, 2026.

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January 8, 2026, read first time and referred to Committee on Public Health.

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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. 1405

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A BILL FOR AN ACT to amend the Indiana Code concerning human services.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 12-7-2-91.7 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2026]: Sec. 91.7. **"Generic name"**, for purposes of IC 12-10-16.5,  
4 **has the meaning set forth in IC 12-10-16.5-2.**

5 SECTION 2. IC 12-7-2-146, AS AMENDED BY P.L.174-2025,  
6 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
7 JULY 1, 2026]: Sec. 146. "Program" refers to the following:

- 8 (1) For purposes of IC 12-10-5.7, the meaning set forth in  
9 IC 12-10-5.7-2.
- 10 (2) For purposes of IC 12-10-7, the adult guardianship services  
11 program established by IC 12-10-7-5.
- 12 (3) For purposes of IC 12-10-10, the meaning set forth in  
13 IC 12-10-10-5.
- 14 (4) **For purposes of IC 12-10-16.5, the meaning set forth in**  
15 **IC 12-10-16.5-3.**
- 16 (4) (5) For purposes of IC 12-15-12.7, the meaning set forth in  
17 IC 12-15-12.7-1.



1                         (5) (6) For purposes of IC 12-17.2-2-14.2, the meaning set forth  
2                         in IC 12-17.2-2-14.2(a).

3                         (6) (7) For purposes of IC 12-17.6, the meaning set forth in  
4                         IC 12-17.6-1-5.

5                         SECTION 3. IC 12-10-16.5 IS ADDED TO THE INDIANA CODE  
6                         AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
7                         JULY 1, 2026]:

8                         **Chapter 16.5. Prescription Drug Assistance Program for the  
9                         Elderly**

10                         **Sec. 1. (a) The program under this chapter is in addition to the  
11                         Indiana prescription drug program administered under  
12                         IC 12-10-16.**

13                         **(b) The division shall implement the program beginning  
14                         January 1, 2027.**

15                         **Sec. 2. As used in this chapter, "generic name" means the  
16                         official or established name given to a drug by the United States  
17                         Adopted Names Council.**

18                         **Sec. 3. As used in this chapter, "program" refers to the  
19                         prescription drug assistance program for the elderly established by  
20                         section 4 of this chapter.**

21                         **Sec. 4. (a) The prescription drug assistance program for the  
22                         elderly is established to be administered by the division.**

23                         **(b) The program is subject to the availability of funding for the  
24                         program.**

25                         **Sec. 5. (a) An individual must apply for the program in the  
26                         manner prescribed by the division.**

27                         **(b) An individual is eligible to participate in the program if the  
28                         individual meets the following requirements:**

29                         **(1) Is a resident of Indiana.**

30                         **(2) Is at least sixty-five (65) years of age.**

31                         **(3) Is not a Medicaid recipient under IC 12-15.**

32                         **(4) Pays the deductible set forth in section 6 of this chapter.**

33                         **(5) Pays the annual enrollment fee of thirty dollars (\$30).**

34                         **(6) Submits the information prescribed by the division,  
35                         including information to determine the household income for  
36                         use in determining the applicable deductible for the individual  
37                         under section 6 of this chapter.**

38                         **(c) The division shall determine whether an applicant meets the  
39                         requirements to participate in the program. The division shall issue  
40                         a prescription drug card to an individual approved to participate  
41                         in the program to use in the purchase of a prescription drug under  
42                         the program.**



1           **Sec. 6. (a) A program participant shall pay a deductible for**  
2           **prescription drugs for a twelve (12) month period that is based on**  
3           **the individual's household federal income poverty level as follows:**

4           **(1) For a household income that is one hundred sixty percent**  
5           **(160%) of the federal income poverty level or less, no**  
6           **deductible.**

7           **(2) For a household income that is more than one hundred**  
8           **sixty percent (160%) of the federal income poverty level but**  
9           **not more than two hundred percent (200%) of the federal**  
10           **income poverty level, a deductible of five hundred dollars**  
11           **(\$500).**

12           **(3) For a household income that is more than two hundred**  
13           **percent (200%) of the federal income poverty level but not**  
14           **more than two hundred forty percent (240%) of the federal**  
15           **income poverty level, a deductible of eight hundred fifty**  
16           **dollars (\$850).**

17           **(4) For a household income that is greater than two hundred**  
18           **forty percent (240%) of the federal income poverty level, a**  
19           **deductible that includes both of the following:**

20           **(A) The difference between the individual's annual**  
21           **household income and two hundred forty percent (240%)**  
22           **of the federal income poverty level for the same household**  
23           **size as the individual's household.**

24           **(B) Eight hundred fifty dollars (\$850).**

25           The division shall negotiate prescription drug prices for individuals  
26           described in subdivisions (1) through (3) to purchase prescription  
27           drugs at a reduced rate while meeting the individual's deductible.

28           **(b) The copayments in this subsection do not apply if the**  
29           **program participant pays for a prescription drug using other**  
30           **prescription drug coverage available to the participant. A program**  
31           **participant shall, after any applicable deductible is paid under**  
32           **subsection (a), pay a copayment for each prescription drug as**  
33           **follows:**

34           **(1) For a prescription drug that bears only a generic name, a**  
35           **copayment of five dollars (\$5).**

36           **(2) For a prescription drug that does not bear only a generic**  
37           **name, a copayment of fifteen dollars (\$15).**

38           **Sec. 7. A program participant may purchase not more than a**  
39           **one hundred (100) day supply of a prescription drug at the**  
40           **copayment set forth in section 6(b) of this chapter if the**  
41           **prescription drug:**

42           **(1) is dispensed in accordance with the health care provider's**



1                   prescription; and

2                   (2) has been approved by the office by rules adopted under  
3                   IC 4-22-2 to be dispensed in an amount that exceeds thirty  
4                   (30) days.

5                   **Sec. 8. (a) The division shall enter into agreements with**  
6                   **pharmacies and pharmacists as providers under the program.**

7                   **(b) A pharmacy or pharmacist that is a program provider and**  
8                   **fills prescriptions under the program may not charge a participant**  
9                   **who presents a valid prescription order and program card to the**  
10                   **pharmacy or pharmacist more than the following:**

11                   **(1) For a deductible if the participant has not met the**  
12                   **deductible for the participant's twelve (12) month period of**  
13                   **the program, an amount for the prescription drug not to**  
14                   **exceed the applicable amount described in section 6(a) of this**  
15                   **chapter.**

16                   **(2) After any applicable deductible has been met by the**  
17                   **participant, the applicable copayment specified in section 6(b)**  
18                   **of this chapter for the participant for the prescription drug.**

19                   **The pharmacy or pharmacist provider may not collect a dispensing**  
20                   **fee from a participant for a prescription drug purchased under the**  
21                   **program.**

22                   **(c) The division shall calculate and transmit to a pharmacy and**  
23                   **pharmacist that are providers under the program data that may be**  
24                   **used in calculating charges under subsection (b). The division shall**  
25                   **periodically update and transmit the necessary information to the**  
26                   **pharmacy and pharmacist providers.**

27                   **Sec. 9. The division shall negotiate with a drug manufacturer**  
28                   **that sells prescription drugs in Indiana to enter into drug rebate**  
29                   **agreements for the program established under this chapter that are**  
30                   **modeled after the rebate agreements set forth in 42 U.S.C. 1396r-8.**  
31                   **A drug rebate agreement under this section must meet the**  
32                   **following:**

33                   **(1) The drug manufacturer makes rebate payments on at least**  
34                   **a quarterly basis to the division for each of the drug**  
35                   **manufacturer's prescription drugs purchased by a program**  
36                   **participant under the program. The division shall deposit the**  
37                   **rebates into the fund established by section 11 of this chapter.**

38                   **(2) The amount of the rebate payment is determined in the**  
39                   **same manner as the method set forth in 42 U.S.C. 1396r-8(c).**

40                   **Sec. 10. (a) The division shall establish the following:**

41                   **(1) A schedule for payments to a pharmacy and pharmacist**  
42                   **provider under the program modeled after the schedule used**



1                   **under the Medicaid program for prescription drugs sold to**  
2                   **participants under the program after the participant's**  
3                   **deductible is met.**

4                   **(2) A claims form prescribed by the division to be used by a**  
5                   **pharmacy or pharmacist provider under the program.**  
6                   **(b) A payment under this section for a claim submitted by a**  
7                   **pharmacy or pharmacist provider under this chapter must include**  
8                   **the following:**

9                   **(1) The program payment rate minus any copayment paid by**  
10                   **the participant.**  
11                   **(2) If applicable, any incentive payment, as determined by the**  
12                   **division.**  
13                   **(c) The division may implement utilization and cost controls for**  
14                   **the program that are similar to those used under the Medicaid**  
15                   **program.**

16                   **(d) The division may contract with a third party to provide**  
17                   **claims payment services.**

18                   **Sec. 11. (a) The prescription drug assistance program for the**  
19                   **elderly fund is established for purposes of administering the**  
20                   **program. The fund shall be administered by the division.**

21                   **(b) The fund consists of the following:**

22                   **(1) Money appropriated to the fund.**  
23                   **(2) Prescription drug rebates collected under this chapter.**  
24                   **(c) The expenses of administering the fund shall be paid from**  
25                   **money in the fund.**

26                   **(d) The treasurer of state shall invest the money in the fund not**  
27                   **currently needed to meet the obligations of the fund in the same**  
28                   **manner as other public money may be invested. Interest that**  
29                   **accrues from these investments shall be deposited in the fund.**

30                   **(e) Money in the fund at the end of a state fiscal year does not**  
31                   **revert to the state general fund.**

32                   **Sec. 12. (a) The division shall adopt rules under IC 4-22-2 to**  
33                   **prevent fraud in the program.**

34                   **(b) An individual who is convicted of committing fraud in the**  
35                   **furnishing or purchase of prescription drugs under this chapter**  
36                   **commits a Class A misdemeanor.**

37                   **Sec. 13. The division may adopt rules under IC 4-22-2 necessary**  
38                   **to implement this chapter.**

39                   **SECTION 4. IC 35-52-12-1.5 IS ADDED TO THE INDIANA**  
40                   **CODE AS A NEW SECTION TO READ AS FOLLOWS**  
41                   **[EFFECTIVE JULY 1, 2026]: Sec. 1.5. IC 12-10-16.5-12 defines a**  
42                   **crime concerning fraud in the prescription drug assistance**



1      **program for the elderly.**

2026

IN 1405—LS 7016/DI 104

