

# SENATE BILL No. 131

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 12-7-2; IC 12-21-10; IC 16-21-14-1; IC 16-36-1.5-6; IC 27-8-5-15.5; IC 34-30-2.1; IC 35-52-12-11.2.

**Synopsis:** Psychiatric care ombudsman. Requires: (1) the division of mental health and addiction to establish the psychiatric care ombudsman office (office); and (2) the office of the secretary of family and social services to appoint the psychiatric care ombudsman. Sets forth the powers and duties of the office concerning psychiatric hospitals and patients of psychiatric hospitals. Creates a criminal penalty.

**Effective:** July 1, 2026.

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

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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.

## SENATE BILL No. 131

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 12-7-2-122.4, AS ADDED BY P.L.168-2018,  
2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2026]: Sec. 122.4. (a) "Legal assistance developer", for  
4 purposes of IC 12-10-13, has the meaning set forth in IC 12-10-13-3.2.

5 (b) **"Legal assistance developer", for purposes of IC 12-21-10,**  
6 **has the meaning set forth in IC 12-21-10-1.**

7 SECTION 2. IC 12-7-2-122.5 IS AMENDED TO READ AS  
8 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 122.5. (a) "Legal  
9 representative", for purposes of IC 12-10-13, has the meaning set forth  
10 in IC 12-10-13-3.3.

11 (b) **"Legal representative", for purposes of IC 12-21-10, has the**  
12 **meaning set forth in IC 12-21-10-2.**

13 SECTION 3. IC 12-7-2-134, AS AMENDED BY P.L.35-2016,  
14 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
15 JULY 1, 2026]: Sec. 134. "Office" means the following:

16 (1) Except as provided in subdivisions (2) through ~~(5)~~, (6), the  
17 office of the secretary established by IC 12-8-1.5-1.



(2) For purposes of IC 12-10-13, the meaning set forth in IC 12-10-13-4.

(3) For purposes of IC 12-15-13, the meaning set forth in IC 12-15-13-0.4.

(4) For purposes of IC 12-17.2-7.2, the meaning set forth in IC 12-17.2-7.2-3.

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

**(6) For purposes of IC 12-21-10, the meaning set forth in IC 12-21-10-3.**

SECTION 4. IC 12-7-2-134, AS AMENDED BY P.L.134-2019, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 134. "Office" means the following:

(1) Except as provided in subdivisions (2) through (7) **and (9)**, the office of Medicaid policy and planning established by IC 12-8-6.5-1.

(2) For purposes of IC 12-10-13, the meaning set forth in IC 12-10-13-4.

(3) For purposes of IC 12-15-5-14, the meaning set forth in IC 12-15-5-14(b).

(4) For purposes of IC 12-15-5-15, the meaning set forth in IC 12-15-5-15(b).

(5) For purposes of IC 12-15-5-16, the meaning set forth in IC 12-15-5-16(b).

(6) For purposes of IC 12-15-13, the meaning set forth in IC 12-15-13-0.4.

(7) For purposes of IC 12-15-13.5, the meaning set forth in IC 12-15-13.5-1.

(8) For purposes of IC 12-17.6, the meaning set forth in IC 12-17.6-1-4.

**(9) For purposes of IC 12-21-10, the meaning set forth in IC 12-21-10-3.**

SECTION 5. IC 12-7-2-135.3, AS AMENDED BY P.L.174-2025, SECTION 11, AND P.L.243-2025, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 135.3. (a) "Ombudsman", for purposes of IC 12-10-13, has the meaning set forth in IC 12-10-13-4.5.

(b) "Ombudsman", for purposes of IC 12-11-13, has the meaning set forth in IC 12-11-13-2.

**(c) "Ombudsman", for purposes of IC 12-21-10, has the meaning set forth in IC 12-21-10-4.**

SECTION 6. IC 12-7-2-151, AS AMENDED BY P.L.56-2023,



SECTION 83, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 151. **(a)** "Psychiatric hospital", for purposes of section 82 of this chapter, means any of the following:

(1) A state institution.

(2) A general hospital:

(A) licensed by the Indiana department of health; and

(B) that maintains and operates facilities for the observation, care, treatment, and detention of individuals who have a mental illness.

(3) A private psychiatric hospital licensed by the division of mental health and addiction.

**(b) "Psychiatric hospital", for purposes of IC 12-21-10, has the meaning set forth in IC 12-21-10-5.**

SECTION 7. IC 12-7-2-185 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 185. **(a)** "State ombudsman", for purposes of IC 12-10-13, has the meaning set forth in IC 12-10-13-6.

**(b) "State ombudsman", for purposes of IC 12-21-10, has the meaning set forth in IC 12-21-10-6.**

SECTION 8. IC 12-21-10 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]:

**Chapter 10. Psychiatric Care Ombudsman Program**

**Sec. 1. As used in this chapter, "legal assistance developer" has the meaning set forth in 42 U.S.C. 3058j.**

**Sec. 2. As used in this chapter, "legal representative" means:**

(1) a guardian;

(2) a health care representative acting under IC 16-36-1 or IC 16-36-7;

(3) an attorney-in-fact for health care appointed under IC 30-5-5-16;

(4) an attorney-in-fact appointed under IC 30-5-5 who does not hold health care powers; or

(5) the personal representative of the estate; of a patient of a psychiatric hospital.

**Sec. 3. As used in this chapter, "office" refers to the psychiatric care ombudsman office established under this chapter. The term includes individuals approved to act in the capacity of ombudsmen by the psychiatric care ombudsman office.**

**Sec. 4. As used in this chapter, "ombudsman" means an individual or entity designated by the state ombudsman to investigate and resolve local complaints and concerns regarding**



the health, safety, welfare, or rights of patients of psychiatric hospitals.

Sec. 5. As used in this chapter, "psychiatric hospital" means a private institution licensed under IC 12-25 and public institutions under the administrative control of the director of a division as designated by IC 12-24-1-3.

Sec. 6. As used in this chapter, "state ombudsman" refers to the individual appointed by the secretary or the secretary's designee to administer the psychiatric care ombudsman program and office under 42 U.S.C. 10801 et seq. and this chapter.

Sec. 7. The division shall establish the psychiatric care ombudsman office in compliance with 42 U.S.C. 10801 et seq.

Sec. 8. Subject to sections 10 through 12 of this chapter, the secretary or the secretary's designee shall appoint the state ombudsman to direct the office on a full-time basis.

Sec. 9. The secretary or the secretary's designee shall appoint an acting state ombudsman within thirty (30) days of a vacancy in the position of state ombudsman. The acting state ombudsman has the powers and duties of the state ombudsman.

Sec. 10. The state ombudsman must have knowledge of acute psychiatric inpatient care.

Sec. 11. The state ombudsman may not have been employed by a psychiatric hospital within one (1) year preceding the proposed appointment by the secretary or the secretary's designee.

Sec. 12. The state ombudsman or a member of the state ombudsman's immediate family may not have had a pecuniary interest in a psychiatric hospital within three (3) years preceding the director's proposed appointment.

Sec. 13. The state ombudsman may employ technical experts and other employees to carry out the purposes of the office.

Sec. 14. The office shall receive, investigate, and attempt to resolve complaints and concerns that:

- (1) are made by or on behalf of a patient or client of a psychiatric hospital; and
- (2) involve the health, safety, welfare, or rights of a patient of a psychiatric hospital.

Sec. 15. At the conclusion of an investigation of a complaint, the office may, with the informed consent of the patient or patient's legal representative, disclose records, findings, and documentation of an investigated case maintained by the office to parties associated with a patient involved in the investigation.

Sec. 16. In accordance with this chapter, an ombudsman must



be provided access to the following:

- (1) Psychiatric hospitals and the patients of psychiatric hospitals.
- (2) As provided in section 17 of this chapter, a patient's medical, financial, and social records.
- (3) If the patient is incapable of giving consent, as determined by the attending physician or as otherwise determined under state law, the name, address, and telephone number of the patient's legal representative.

Sec. 17. (a) An ombudsman must be provided access to a patient's medical, financial, and social records. Except as provided in subsections (c) and (d), the ombudsman must obtain consent under subsection (b) before having access to the records.

(b) Consent to have access to a patient's medical, financial, and social records shall be given in one (1) of the following forms:

- (1) In writing by the patient.
- (2) Orally by the patient.
- (3) Through the use of auxiliary aids and services.
- (4) In writing by the legal representative of the patient if:
  - (A) the patient is incapable of giving consent, as determined by the attending physician or as otherwise determined under state law; and
  - (B) the legal representative has the authority to give consent.
- (5) Visually by the patient.

(c) If consent to have access to a patient's medical, financial, and social records cannot be obtained under subsection (b), an ombudsman may inspect the records of a patient if the patient is incapable of giving consent, as determined by the attending physician or as otherwise determined under state law, and:

- (1) has no legal representative;
- (2) has a legal representative but the legal representative cannot be contacted within three (3) days; or
- (3) has a legal representative but the legal representative does not have the authority to give consent to have access to the records.

(d) If an ombudsman has:

- (1) been denied access to a patient's medical, financial, and social records by the patient's legal representative;
- (2) reasonable cause to believe that the patient's legal representative is not acting in the best interests of the patient; and



(3) received written approval from the state ombudsman;  
the ombudsman may inspect the records of the patient.

**Sec. 18.** An ombudsman shall be given appropriate access to the records of a psychiatric hospital, including the following:

- (1) Administrative policies.
- (2) Licensing and certification records.
- (3) Survey results.

**Sec. 19.** A state or local government agency or entity that has records that are relevant to a complaint or an investigation conducted by an ombudsman shall provide the ombudsman with access to the records.

**Sec. 20.** A psychiatric hospital or an employee of a psychiatric hospital is immune from:

- (1) civil or criminal liability; and
  - (2) actions taken under a professional disciplinary procedure;
- for the release or disclosure of records to an ombudsman under this chapter.

**Sec. 21.** The office shall do the following:

- (1) Promote effective coordination between the office and the following:

- (A) Programs that provide legal services for individuals who need psychiatric care.
- (B) The attorney general's Medicaid fraud control unit.
- (C) The Indiana department of health.
- (D) Indiana protection and advocacy services.
- (E) The state's legal assistance developer.

- (2) Establish a statewide toll free telephone line to receive reports of patients' complaints concerning psychiatric hospitals.

- (3) Ensure that the identity of a complainant or patient will not be disclosed without:

- (A) the complainant's or patient's written consent; or
- (B) a court order.

**Sec. 22.** The secretary shall adopt rules under IC 4-22-2 necessary to carry out this chapter.

**Sec. 23.** A representative of the office is not civilly liable for the good faith performance of official duties.

**Sec. 24. (a)** The office shall prepare a report each year on the operations of the office.

- (b) A copy of the report shall be provided to the following:

- (1) The governor.
- (2) The general assembly. The report must be in an electronic



format under IC 5-14-6.

(3) The division.

(4) The secretary.

(5) The Indiana department of health.

Sec. 25. A person who:

(1) intentionally prevents the work of the office;

(2) knowingly offers compensation to the office in an effort to affect the outcome of an investigation or a potential investigation; or

(3) retaliates against a patient, an employee, or another person who files a complaint or provides information to the office;

commits a Class B misdemeanor.

Sec. 26. The office shall make available independent legal counsel for the state ombudsman for the following:

(1) Representation of the state ombudsman against a lawsuit or other legal action that is brought or threatened to be brought against the state ombudsman in connection with the state ombudsman's performance of the state ombudsman's official duties of the psychiatric care ombudsman program.

(2) Advice and counsel for the state ombudsman in protecting a patient's rights.

(3) The drafting of rules, policies, and procedures for the operation of the psychiatric care ombudsman program.

(4) Advice concerning complaint resolution of complex cases.

Sec. 27. The office shall ensure that grievances and complaints are addressed concerning the following:

(1) Action taken or failure to take action on behalf of a patient.

(2) Designation or revocation of designation of local:

(A) host agencies; or

(B) representatives of the psychiatric care ombudsman program and office.

SECTION 9. IC 16-21-14-1, AS ADDED BY P.L.133-2019, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 1. (a) This section and section 2 of this chapter do not apply to the following:

(1) A hospital that primarily provides inpatient and outpatient services to a pediatric population.

(2) A psychiatric hospital (as defined in ~~IC 12-7-2-151~~).  
**IC 12-7-2-151(a).**

(b) Each hospital shall adopt, implement, and periodically update





evidence based sepsis guidelines for the early recognition and treatment of patients with sepsis, severe sepsis, or septic shock that are based on generally accepted guidelines. The sepsis guidelines must include components specific to the identification, care, and treatment of adults.

SECTION 10. IC 16-36-1.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 6. In order to comply with this chapter, a mental health provider needs to obtain only one (1) consent for mental health services for a patient while admitted in or treated as an outpatient at the main facility or a clinic of any of the following:

(1) A psychiatric hospital (as defined in ~~IC 12-7-2-151~~).  
**IC 12-7-2-151(a).**

(2) A hospital (as defined in IC 16-18-2-179(b)).

(3) A community mental health center (as defined in IC 12-7-2-38).

SECTION 11. IC 27-8-5-15.5, AS AMENDED BY P.L.56-2023, SECTION 245, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 15.5. (a) As used in this section:

"Alcohol abuse" has the meaning set forth in IC 12-7-2-10.

"Community mental health center" has the meaning set forth in IC 12-7-2-38 and IC 12-7-2-39.

"Division of mental health and addiction" refers to the division created under IC 12-21-1-1.

"Drug abuse" has the meaning set forth in IC 12-7-2-72.

"Indiana department of health" refers to the department established by IC 16-19-1-1.

"Inpatient services" means services that require the beneficiary of the services to remain overnight in the facility in which the services are offered.

"Mental illness" has the meaning set forth in IC 12-7-2-130(1).

"Psychiatric hospital" has the meaning set forth in ~~IC 12-7-2-151~~.  
**IC 12-7-2-151(a).**

"Substance abuse" means drug abuse or alcohol abuse.

(b) An insurance policy that provides coverage for inpatient services for the treatment of:

(1) mental illness;

(2) substance abuse; or

(3) both mental illness and substance abuse;

may not exclude coverage for inpatient services for the treatment of mental illness or substance abuse that are provided by a community mental health center or by any psychiatric hospital licensed by the



1 Indiana department of health or the division of mental health and  
2 addiction to offer those services.  
3 SECTION 12. IC 34-30-2.1-147.4 IS ADDED TO THE INDIANA  
4 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
5 [EFFECTIVE JULY 1, 2026]: **Sec. 147.4. IC 12-21-10-20**  
6 **(Concerning a psychiatric hospital or its employees for release or**  
7 **disclosure of records to an ombudsman).**  
8 SECTION 13. IC 34-30-2.1-147.5 IS ADDED TO THE INDIANA  
9 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
10 [EFFECTIVE JULY 1, 2026]: **Sec. 147.5. IC 12-21-10-23**  
11 **(Concerning representatives of the psychiatric care ombudsman's**  
12 **office).**  
13 SECTION 14. IC 35-52-12-11.2 IS ADDED TO THE INDIANA  
14 CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
15 [EFFECTIVE JULY 1, 2026]: **Sec. 11.2. IC 12-21-10-25 defines a**  
16 **crime concerning the psychiatric care ombudsman program.**

