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SENATE BILL No. 173

Proposed Changes to introduced printing by AM017301

DIGEST OF PROPOSED AMENDMENT

Physical therapy. Removes language in the bill: (1) amending the definition of "physical therapy"; and (2) repealing provider referral requirements for physical therapy.

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 5-10-8-14.5 IS ADDED TO THE INDIANA
2 CODE AS A NEW SECTION TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2026]: Sec. 14.5. (a) As used in this section,
4 "anesthesia time" means the period beginning when an anesthesia
5 practitioner begins to prepare a patient for anesthesia services in
6 the operating room or an equivalent area and ends when the
7 anesthesia practitioner is no longer furnishing anesthesia services
8 to the patient. The term includes blocks of time around an
9 interruption in anesthesia time provided that the anesthesia
10 practitioner is furnishing continuous anesthesia care within the
11 time periods surrounding the interruption.

12 (b) As used in this section, "covered individual" means an
13 individual who is entitled to coverage under a state employee
14 health plan.

15 (c) As used in this section, "state employee health plan" means
16 a:

17 (1) self-insurance program established under section 7(b) of
18 this chapter; or
19 (2) contract with a prepaid health care delivery plan that is
20 entered into or renewed under section 7(c) of this chapter;

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1 **that is issued, amended, or renewed after June 30, 2026, to provide**
 2 **individual or group health coverage that includes coverage for**
 3 **anesthesia services.**

4 **(d) The state employee health plan may not impose any of the**
 5 **following concerning the provision of anesthesia services to a**
 6 **covered individual during a medical procedure:**

7 **(1) A time limit on the amount of covered anesthesia time for**
 8 **any medical procedure.**

9 **(2) Restrictions or exclusions of coverage or payment of**
 10 **anesthesia time.**

11 SECTION 2. IC 6-1.1-10-16, AS AMENDED BY P.L.230-2025,
 12 SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 JULY 1, 2026]: Sec. 16. (a) All or part of a building is exempt from
 14 property taxation if it is owned, occupied, and used by a person for
 15 educational, literary, scientific, religious, or charitable purposes.

16 (b) A building is exempt from property taxation if it is owned,
 17 occupied, and used by a town, city, township, or county for educational,
 18 literary, scientific, fraternal, or charitable purposes.

19 (c) A tract of land, including the campus and athletic grounds of
 20 an educational institution, is exempt from property taxation if:

21 (1) a building that is exempt under subsection (a) or (b) is
 22 situated on it;

23 (2) a parking lot or structure that serves a building referred to in
 24 subdivision (1) is situated on it; or

25 (3) the tract:

26 (A) is owned by a nonprofit entity established for the
 27 purpose of retaining and preserving land and water for their
 28 natural characteristics;

29 (B) does not exceed five hundred (500) acres; and

30 (C) is not used by the nonprofit entity to make a profit.

31 (d) A tract of land is exempt from property taxation if:

32 (1) it is purchased for the purpose of erecting a building that is
 33 to be owned, occupied, and used in such a manner that the
 34 building will be exempt under subsection (a) or (b); and

35 (2) not more than four (4) years after the property is purchased,
 36 and for each year after the four (4) year period, the owner
 37 demonstrates substantial progress and active pursuit towards the
 38 erection of the intended building and use of the tract for the
 39 exempt purpose. To establish substantial progress and active
 40 pursuit under this subdivision, the owner must prove the
 41 existence of factors such as the following:

42 (A) Organization of and activity by a building committee or



1 other oversight group.
 2 (B) Completion and filing of building plans with the
 3 appropriate local government authority.
 4 (C) Cash reserves dedicated to the project of a sufficient
 5 amount to lead a reasonable individual to believe the actual
 6 construction can and will begin within four (4) years.
 7 (D) The breaking of ground and the beginning of actual
 8 construction.
 9 (E) Any other factor that would lead a reasonable individual
 10 to believe that construction of the building is an active plan
 11 and that the building is capable of being completed within
 12 eight (8) years considering the circumstances of the owner.

13 If the owner of the property sells, leases, or otherwise transfers a tract
 14 of land that is exempt under this subsection, the owner is liable for the
 15 property taxes that were not imposed upon the tract of land during the
 16 period beginning January 1 of the fourth year following the purchase
 17 of the property and ending on December 31 of the year of the sale,
 18 lease, or transfer. The county auditor of the county in which the tract
 19 of land is located may establish an installment plan for the repayment
 20 of taxes due under this subsection. The plan established by the county
 21 auditor may allow the repayment of the taxes over a period of years
 22 equal to the number of years for which property taxes must be repaid
 23 under this subsection.

24 (e) Personal property is exempt from property taxation if it is
 25 owned and used in such a manner that it would be exempt under
 26 subsection (a) or (b) if it were a building.

27 (f) A hospital's property that is exempt from property taxation
 28 under subsection (a), (b), or (e) shall remain exempt from property
 29 taxation even if the property is used in part to furnish goods or services
 30 to another hospital whose property qualifies for exemption under this
 31 section.

32 (g) Property owned by a shared hospital services organization that
 33 is exempt from federal income taxation under Section 501(c)(3) or
 34 501(e) of the Internal Revenue Code is exempt from property taxation
 35 if it is owned, occupied, and used exclusively to furnish goods or
 36 services to a hospital whose property is exempt from property taxation
 37 under subsection (a), (b), or (e).

38 (h) This section does not exempt from property tax an office or a
 39 practice of a physician or group of physicians that is owned by a
 40 hospital licensed under IC 16-21-2 or other property that is not
 41 substantially related to or supportive of the inpatient facility of the
 42 hospital unless the office, practice, or other property:



1 (1) provides or supports the provision of charity care (as defined
2 in ~~IC 16-18-2-52.5~~, IC 16-18-2-52.5(b)), including providing
3 funds or other financial support for health care services for
4 individuals who are indigent (as defined in ~~IC 16-18-2-52.5(b)~~
5 IC 16-18-2-52.5(c) and ~~IC 16-18-2-52.5(c)~~;
6 IC 16-18-2-52.5(d)); or
7 (2) provides or supports the provision of community benefits (as
8 defined in IC 16-21-9-1), including research, education, or
9 government sponsored indigent health care (as defined in
10 IC 16-21-9-2).

11 However, participation in the Medicaid or Medicare program alone
12 does not entitle an office, practice, or other property described in this
13 subsection to an exemption under this section.

19 (A) in a charitable manner;

20 (B) by a nonprofit organization; and

21 (C) to low income individuals who will:

22 (i) use the land as a family residence; and

23 (ii) not have an exemption for the land under this
24 section;

25 (2) the tract does not exceed three (3) acres; and

29 (j) An exemption under subsection (i) terminates when the
30 property is conveyed by the nonprofit organization to another owner.

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16 (1) The total property taxes that, if it were not for the exemption
17 under subsection (i), would have been levied on the property in
18 each year in which an exemption was allowed.

each year in which an exemption was allowed.

(2) Interest on the property taxes at the rate of ten percent (10%) per year.

(n) The liability imposed by subsection (m) is a lien upon the property receiving the exemption under subsection (i). An amount collected under subsection (m) shall be collected as an excess levy. If the amount is not paid, it shall be collected in the same manner that delinquent taxes on real property are collected.

(p) This subsection applies to assessment dates occurring before January 1, 2026. A for-profit provider of early childhood education services to children who are at least four (4) but less than six (6) years of age on the annual assessment date may receive the exemption provided by this section for property used for educational purposes only if all the requirements of section 46 of this chapter are satisfied. A for-profit provider of early childhood education services that provides the services only to children younger than four (4) years of age may not receive the exemption provided by this section for property used for educational purposes.



1 only if all the requirements of section 46 of this chapter are satisfied.

2 (r) This subsection applies only to property taxes that are first due
 3 and payable in calendar years 2025 and 2026. All or part of a building
 4 is deemed to serve a charitable purpose and is exempt from property
 5 taxation if it is owned by a nonprofit entity that is:

- 6 (1) registered as a continuing care retirement community under
 7 IC 23-2-4 and charges an entry fee of not more than five hundred
 8 thousand dollars (\$500,000) per unit;
- 9 (2) defined as a small house health facility under
 10 IC 16-18-2-331.9;
- 11 (3) licensed as a health care or residential care facility under
 12 IC 16-28; or
- 13 (4) licensed under IC 31-27 and designated as a qualified
 14 residential treatment provider that provides services under a
 15 contract with the department of child services.

16 This subsection expires January 1, 2027.

17 SECTION 3. IC 6-1.1-10-18.5, AS AMENDED BY P.L.230-2025,
 18 SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 19 JULY 1, 2026]: Sec. 18.5. (a) This section does not exempt from
 20 property tax an office or a practice of a physician or group of
 21 physicians that is owned by a hospital licensed under IC 16-21-2 or
 22 other property that is not substantially related to or supportive of the
 23 inpatient facility of the hospital unless the office, practice, or other
 24 property:

- 25 (1) provides or supports the provision of charity care (as defined
 26 in ~~IC 16-18-2-52.5~~, **IC 16-18-2-52.5(b)**), including funds or
 27 other financial support for health care services for individuals
 28 who are indigent (as defined in ~~IC 16-18-2-52.5(b)~~
IC 16-18-2-52.5(c) and ~~IC 16-18-2-52.5(c)~~);
IC 16-18-2-52.5(d)); or
- 31 (2) provides or supports the provision of community benefits (as
 32 defined in IC 16-21-9-1), including research, education, or
 33 government sponsored indigent health care (as defined in
 34 IC 16-21-9-2).

35 However, participation in the Medicaid or Medicare program, alone,
 36 does not entitle an office, a practice, or other property described in this
 37 subsection to an exemption under this section.

38 (b) Tangible property is exempt from property taxation if it is:

39 (1) owned by an Indiana nonprofit corporation; and

40 (2) used by an Indiana nonprofit corporation in the operation of
 41 a hospital licensed under IC 16-21, a health facility licensed
 42 under IC 16-28, a residential care facility for the aged and



1 licensed under IC 16-28, or a Christian Science home or
2 sanatorium.

(c) This subsection applies only to property taxes first due and payable in calendar years 2025 and 2026. Tangible property that is not otherwise exempt from property taxation under subsection (b) is exempt from property taxation if it is:

7 (1) owned by an Indiana nonprofit corporation; and
8 (2) used by an Indiana nonprofit corporation in the operation of
9 a continuing care retirement community under IC 23-2-4 that
10 charges an entry fee of not more than five hundred thousand
11 dollars (\$500,000) per unit as described in section 16(r)(1) of
12 this chapter, a small house health facility under
13 IC 16-18-2-331.9, or a qualified residential treatment provider
14 listed in section 16(r)(4) of this chapter.

15 This subsection expires January 1, 2027.

16 (d) Property referred to in this section shall be assessed to the
17 extent required under IC 6-1.1-11-9.

18 SECTION 4. IC 12-15-5-22 IS ADDED TO THE INDIANA
19 CODE AS A NEW SECTION TO READ AS FOLLOWS
20 [EFFECTIVE JULY 1, 2026]: Sec. 22. (a) As used in this section,
21 "anesthesia time" means the period beginning when an anesthesia
22 practitioner begins to prepare a patient for anesthesia services in
23 the operating room or an equivalent area and ends when the
24 anesthesia practitioner is no longer furnishing anesthesia services
25 to the patient. The term includes blocks of time around an
26 interruption in anesthesia time provided that the anesthesia
27 practitioner is furnishing continuous anesthesia care within the
28 time periods surrounding the interruption.

(1) A time limit on the amount of covered anesthesia time for any medical procedure.

(2) Restrictions or exclusions of coverage or payment of anesthesia time.

36 SECTION 5. IC 16-18-2-52.5, AS AMENDED BY P.L.188-2025,

37 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
38 JULY 1, 2026]: Sec. 52.5. (a) "Charity care", for purposes of
39 IC 16-21-6 and IC 16-21-9, means medically necessary health care
40 services provided free of charge or at a discounted rate under the
41 hospital's written financial assistance policy to patients who meet
42 income and asset criteria.

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1 **(a) (b)** "Charity care", for purposes of IC 16-21-6, IC 16-21-9, and
 2 IC 16-40-6, means the unreimbursed cost to a hospital of providing,
 3 funding, or otherwise financially supporting health care services:

4 (1) to a person classified by the hospital as financially indigent
 5 or medically indigent on an inpatient or outpatient basis; and
 6 (2) to financially indigent patients through other nonprofit or
 7 public outpatient clinics, hospitals, or health care organizations.

8 **(b) (c)** As used in ~~this section~~, **subsection (b)**, "financially
 9 indigent" means an uninsured or underinsured person who is accepted
 10 for care with no obligation or a discounted obligation to pay for the
 11 services rendered based on the hospital's financial criteria and
 12 procedure used to determine if a patient is eligible for charity care. The
 13 criteria and procedure must include income levels and means testing
 14 indexed to the federal poverty guidelines. A hospital may determine
 15 that a person is financially or medically indigent under the hospital's
 16 eligibility system after health care services are provided.

17 **(c) (d)** As used in ~~this section~~, **subsection (b)**, "medically
 18 indigent" means a person whose medical or hospital bills after payment
 19 by third party payors exceed a specified percentage of the patient's
 20 annual gross income as determined in accordance with the hospital's
 21 eligibility system, and who is financially unable to pay the remaining
 22 bill.

23 SECTION 6. IC 16-18-2-65.2 IS ADDED TO THE INDIANA
 24 CODE AS A NEW SECTION TO READ AS FOLLOWS
 25 [EFFECTIVE JULY 1, 2026]: **Sec. 65.2. "Community health needs
 26 assessment"**, for purposes of IC 16-21-9, has the meaning set forth
 27 in IC 16-21-9-1.5.

28 SECTION 7. IC 16-18-2-247.5 IS ADDED TO THE INDIANA
 29 CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
 30 JULY 1, 2026]: **Sec. 247.5. "Neuroplastogen"**, for
 31 purposes of IC 16-42-26.7, has the meaning set forth in
 32 IC 16-42-26.7-1.

33 SECTION 8. IC 16-18-2-288, AS AMENDED BY P.L.96-2014,
 34 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 35 JULY 1, 2026]: Sec. 288. (a) "Practitioner", for purposes of
 36 IC 16-42-19, has the meaning set forth in IC 16-42-19-5.

37 (b) "Practitioner", for purposes of IC 16-41-14, has the meaning
 38 set forth in IC 16-41-14-4.

39 (c) "Practitioner", for purposes of IC 16-42-21, has the meaning set
 40 forth in IC 16-42-21-3.

41 (d) "Practitioner", for purposes of IC 16-42-22 and IC 16-42-25,
 42 has the meaning set forth in IC 16-42-22-4.5.



(e) "Practitioner", for purposes of IC 16-42-26.7, has the meaning set forth in IC 16-42-26.7-2.

SECTION 9. IC 16-18-2-317.4 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 317.4. "Research institution", for purposes of IC 16-42-26.7, has the meaning set forth in IC 16-42-26.7-3.**

SECTION 10. IC 16-21-9-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 1. **(a)** As used in this chapter, "community benefits" means the unreimbursed cost to a hospital of providing **the following**:

- (1) Charity care.**
- (2) Government sponsored indigent health care. donations, education, government sponsored program services, research, and subsidized health services.**
- (3) Subsidized clinical services provided despite a net financial loss if not providing the services would result in the community loss of access to the services.**
- (4) Services and activities that address needs identified in the nonprofit hospital's community health needs assessment.**

(b) The term does not include **any of the following:**

- (1)** The cost to the hospital of paying any taxes or other governmental assessments.
- (2) Bad debt.**
- (3) Contractual allowances and discounts negotiated with third party payors.**
- (4) Payment disruptions unrelated to hospital policy.**
- (5) Staff education required for licensure or certification.**
- (6) Activities with a primary purpose of marketing, lobbying, fundraising, or routine operations.**

SECTION 11. IC 16-21-9-1.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 1.5.** As used in this chapter, "community health needs assessment" refers to a nonprofit hospital's most recent assessment that meets the requirements set forth in 26 U.S.C. 501(r)(3).

SECTION 12. IC 16-21-9-7, AS AMENDED BY P.L.6-2012, SECTION 115, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 7. (a) Each nonprofit hospital shall prepare an annual report of the community benefits plan. The report must include, in addition to the community benefits plan itself, the following **background** information:



- (1) The hospital's mission statement.
- (2) A disclosure of the health care needs of the community that were considered in developing the hospital's community benefits plan.
- (3) A disclosure of the amount and types of community benefits actually provided, including charity care. Charity care must be reported as a separate item from other community benefits.
- (4) The following information concerning the hospital's charity care program:**
 - (A) The eligibility criteria.
 - (B) The number of program applications received by the hospital in the previous calendar year.
 - (C) The number of approvals and denials of the applications received, as described in clause (B).
- (5) Each government sponsored indigent health care program that the hospital participated in during the previous calendar year and the net cost of the program to the hospital. Net costs must account for any supplemental payments made to the hospital under the program, including those provided under IC 12-15-16.
- (6) A list of each clinical service provided at a subsidized cost by the hospital and the net cost to the hospital for the subsidized clinical service.
- (7) A list of each service provided, and any activity invested in, to address any need identified in the community health needs assessment, and the following information for each service or activity listed:
 - (A) The net cost of each item.
 - (B) The need in the community health needs assessment that each item addresses.
 - (C) The estimated impact of the item on addressing the identified need.
- (8) An estimate of the value of the:
 - (A) sales tax exemption under IC 6-2.5-5; and
 - (B) property tax exemption under IC 6-1.1-10; for the hospital.
- (9) Any net revenue derived from the hospital's participation in the federal 340B Drug Pricing Program under 42 U.S.C. 256b(a)(4).
- (b) Not later than one hundred twenty (120) days after the close of a nonprofit hospital's fiscal year, each nonprofit hospital shall annually file a the report of the community benefits plan

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1 **described in subsection (a)** with the state department. For a hospital's
 2 fiscal year that ends before July 1, 2011, the report must be filed not
 3 later than one hundred twenty (120) days after the close of the
 4 hospital's fiscal year. For a hospital's fiscal year that ends after June 30,
 5 2011, the report must be filed at the same time the nonprofit hospital
 6 files its annual return described under Section 6033 of the Internal
 7 Revenue Code that is timely filed under Section 6072(e) of the Internal
 8 Revenue Code, including any applicable extension authorized under
 9 Section 6081 of the Internal Revenue Code. **The nonprofit hospital**
 10 **shall post the report on the nonprofit hospital's website.**

11 (c) Each nonprofit hospital shall prepare a statement that notifies
 12 the public that the annual report of the community benefits plan is:
 13 (1) public information;
 14 (2) filed with the state department; and
 15 (3) available to the public on **the nonprofit hospital's website**
 16 **and by** request from the state department.

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

22 (d) Each nonprofit hospital shall develop a written notice about
 23 any charity care program operated by the hospital and how to apply for
 24 charity care. The notice must be in appropriate languages if possible.
 25 The notice must also be conspicuously posted in the following areas:

26 (1) The general waiting area.
 27 (2) The waiting area for emergency services.
 28 (3) The business office.
 29 (4) Any other area that the hospital considers an appropriate area
 30 in which to provide notice of a charity care program.

31 **(e) The state department shall post a report submitted under**
 32 **this section on the state department's website.**

33 SECTION 13. IC 16-21-9-8 IS AMENDED TO READ AS
 34 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 8. **(a)** The state
 35 department may assess a civil penalty against a nonprofit hospital that
 36 fails to make a report of the community benefits plan as required under
 37 this chapter. The penalty may not exceed **one ten thousand dollars** [**1**](\$1,000) (\$10,000) for each day a report is delinquent after the date on
 38 which the report is due. **No penalty may be assessed against a hospital**
 39 **under this section until thirty (30) business days have elapsed after**
 40 **written notification to the hospital of its failure to file a report.**

41 **(b) The penalty collected under this section shall be deposited**



1 **in the local public health fund established by IC 16-46-10-1.**

2 SECTION 14. IC 16-42-26.7 IS ADDED TO THE INDIANA
 3 CODE AS A NEW CHAPTER TO READ AS FOLLOWS
 4 [EFFECTIVE JULY 1, 2026]:

5 **Chapter 26.7. Right to Try Investigational Neuroplastogens**

6 **Sec. 1. As used in this chapter, "neuroplastogen" means a drug
 7 or compound that:**

8 **(1) demonstrates rapid onset neuroplastic effects in humans;
 9 and**

10 **(2) has successfully completed Phase I of a federal Food and
 11 Drug Administration approved clinical trial.**

12 **The term includes psilocybin (as defined in IC 12-21-9-2).**

13 **Sec. 2. As used in this chapter, "practitioner" means a health
 14 professional who:**

15 **(1) is licensed and in good standing under IC 25;**

16 **(2) has prescriptive authority; and**

17 **(3) is acting within the health professional's scope of practice.**

18 **Sec. 3. As used in this chapter, "research institution" means an
 19 organization that meets all of the following:**

20 **(1) Has an academic institution that operates an institutional
 21 review board (IRB) that oversees research.**

22 **(2) Publishes the results of previous clinical trials in peer
 23 reviewed publications.**

24 **(3) Has access to a clinical research center and the center's
 25 resources, including research dedicated medical staff.**

26 **Sec. 4. An individual must meet the following requirements in
 27 order to qualify as an eligible patient under this chapter:**

28 **(1) Has been diagnosed with a life threatening condition as
 29 defined in 21 CFR 312.81 and meets the criteria set forth in
 30 21 U.S.C. 360bbb-0a.**

31 **(2) Provides written informed consent to the practitioner for
 32 the treatment.**

33 **Sec. 5. (a) Notwithstanding IC 35-48, a practitioner may
 34 administer or supervise the psychotherapy supported
 35 administration of a neuroplastogen to a patient if the following
 36 conditions are met:**

37 **(1) The practitioner has evaluated the patient, reviewed the
 38 patient's medical history, and documented in the patient's
 39 medical charts the clinical rationale for the practitioner
 40 determining that the patient is qualified and could benefit
 41 from the treatment.**

42 **(2) The practitioner has obtained and documented the**



patient's written informed consent as set forth in subsection (b) for the treatment.

(3) The patient meets the requirements set forth in section 4 of this chapter.

(4) The practitioner takes reasonable steps to ensure patient safety, including structured psychological monitoring and integration services, during the patient's neuroplastogen treatment and recovery.

(5) The neuroplastogen is obtained from a manufacturer or distributor that is registered with the federal Drug Enforcement Agency.

(6) The practitioner notifies the state department in the manner prescribed by the state department not later than thirty (30) days from the initial administration of the neuroplastogen to a patient.

(7) The practitioner submits the report required by section 7 of this chapter.

(b) Written informed consent under subsection (a)(2) must include the following:

(1) An explanation of the currently approved products and treatments for the individual's condition.

(2) An attestation by the individual of the individual's life threatening condition and that the individual concurs with the individual's physician that all currently approved treatments are unlikely to prolong the individual's life or improve the individual's life threatening condition.

(3) A clear identification of the investigational neuroplastogen treatment proposed to be used to treat the individual.

(4) A description of the best and worst outcomes, including the most likely outcome, resulting from use of the investigational treatment of the individual's life threatening condition. The description of outcomes must be based on the treating physician's knowledge of both the investigational neuroplastogen treatment and the individual's life threatening condition.

(5) A statement acknowledging that new, unanticipated, different, or worse symptoms or death may result from the proposed treatment.

(6) A statement that the individual's health insurance may not be obligated to pay for any care or treatment and that the patient may be liable for all expenses of the treatment

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1 unless specifically required to do so by contract or law.

2 (7) A statement that eligibility for hospice care may be
 3 withdrawn if the individual begins investigational
 4 neuroplastogen treatment and does not meet hospice care
 5 eligibility requirements.

6 (8) A statement that the individual or the individual's legal
 7 guardian consents to the investigational neuroplastogen
 8 treatment for the life threatening condition.

9 (c) The state department shall establish a notification
 10 procedure described in subsection (a)(6) to be used under this
 11 chapter.

12 Sec. 6. (a) A practitioner, research institution, or clinic may
 13 conduct neuroplastogen outcomes access research if the following
 14 conditions are met:

15 (1) Any data collected and maintained in a patient registry
 16 that complies with the federal Health Insurance Portability
 17 and Accountability Act (HIPAA) and only includes
 18 de-identified patient data.

19 (2) The practitioner or clinic follows any best practice
 20 guidelines and protocols that have been issued by the United
 21 States Department of Health and Human Services, including:

- 22 (A) safety monitoring;
- 23 (B) psychotherapy support; and
- 24 (C) outcome measures.

25 (b) The state department may do the following:

26 (1) Implement Institutional Review Board (IRB) oversight
 27 protocols, including protocols for streamlined reporting of
 28 data under this chapter.

29 (2) Collaborate with research institutions in the development
 30 of standards and protocols to be used for research conducted
 31 under this chapter.

32 (3) Establish a registry to maintain data collected under this
 33 chapter.

34 (4) Adopt rules under IC 4-22-2 to implement this chapter,
 35 including rules concerning the following:

- 36 (A) Safety standards.
- 37 (B) Standardized informed consent forms.
- 38 (C) Data elements for inclusion in a registry.
- 39 (D) Adverse event reporting.
- 40 (E) Staff qualifications for psychotherapy support.
- 41 (F) Standardized notification forms for section 4 of this
 42 chapter.



(G) Report formatting.

Sec. 7. (a) Before February 1 of each year, a practitioner who performs neuroplastogen treatment under this chapter shall report the following information concerning the previous calendar year to the state department:

- (1) The number of patients for whom the practitioner has conducted neuroplastogen treatment.
- (2) Each neuroplastogen used and the typical dosage range.
- (3) Any adverse event (as defined in 21 CFR 312.32(a)).

The report may not include patient identifying information.

(b) Before May 1 of each year, the state department shall aggregate and publish on the state department's website de-identified statistics from the reports submitted under subsection (a).

Sec. 8. Nothing in this chapter may be construed to do any of the following:

- (1) Allow nonmedical use of neuroplastogens.
- (2) Supersede federal law or regulation.
- (3) Reschedule a controlled substance.
- (4) Create a fiscal burden on the state.
- (5) Require a practitioner, clinic, research institution, or other person to participate in providing treatment under this chapter.
- (6) Mandate insurance coverage for treatment under this chapter.

Sec. 9. A practitioner, eligible facility (as defined in IC 16-42-26.5-1), research institution, or other person participating in providing treatment that complies with the requirements of this chapter is immune from criminal or civil liability.

SECTION 15. IC 16-46-10-1, AS AMENDED BY P.L.164-2023, SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 1. (a) The local public health fund is established for the purpose of providing local boards of health with funds as provided in sections 2.1 through 2.3 of this chapter to provide public health services. The fund shall be administered by the state department and consists of:

- (1) appropriations by the general assembly;
- (2) penalties paid and deposited in the fund under IC 6-8-11-17 and IC 16-21-9-8; and
- (3) amounts, if any, that another statute requires to be distributed to the fund from the Indiana tobacco master settlement agreement fund.

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(b) The expenses of administering the fund shall be paid from money in the fund.

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

SECTION 16. ~~HC 25-27-1-1, AS AMENDED BY P.L.156-2020,~~

~~SECTION 107, IS AMENDED TO READ AS FOLLOWS
[EFFECTIVE JULY 1, 2026]: Sec. 1. For the purposes of this chapter:~~

(1) "Physical therapy" means the care and services provided by or under the direction and supervision of a physical therapist that includes any of the following:

(A) Examining, evaluating, and conducting testing (as defined in subdivision (16)) (14) on patients with mechanical, physiological, or developmental impairments, functional limitations, and disabilities or other health and movement related conditions in order to determine a physical therapy diagnosis.

(B) Alleviating impairments, functional limitations, and disabilities by designing, implementing, and modifying treatment interventions that may include therapeutic exercise, functional training in home, community, or work integration or reintegration that is related to physical movement and mobility, manual therapy, including soft tissue and joint mobilization or manipulation, therapeutic massage, prescription, application, and fabrication of assistive, adaptive, orthotic, protective, and supportive devices and equipment, including prescription and application of prosthetic devices and equipment, airway clearance techniques, integumentary protection and repair techniques, debridement and wound care, physical agents or modalities, mechanical and electrotherapeutic modalities, and patient related instruction.

(C) Using solid filiform needles to treat neuromusculoskeletal pain and dysfunction (dry needling), after completing board approved continuing education and complying with applicable board rules. However, a physical therapist may not engage in the practice of acupuncture (as defined in IC 25-2.5-1-5) unless the physical therapist is licensed under IC 25-2.5.

(D) Reducing the risk of injury, impairment, functional limitation, and disability, including the promotion and

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United States, the District of Columbia, or the Commonwealth of Puerto Rico:

(13) (11) "Direct supervision" means that a physical therapist or physical therapist assistant is physically present and immediately available to direct and supervise tasks that are related to patient management.

(14) (12) "General supervision" means supervision provided by a physical therapist who is available by telecommunication.

(15) (13) "Onsite supervision" means supervision provided by a physical therapist who is continuously onsite and present in the department or facility where services are provided. The supervising therapist must be immediately available to the person being supervised and maintain continued involvement in the necessary aspects of patient care.

(16) (14) "Conduct testing" means standard methods and techniques used to gather data about a patient, including, subject to section 2.5(e) 2.5 of this chapter, electrodiagnostic and electrophysiologic tests and measures. The term does not include x-rays.

(17) (15) "Physical therapy diagnosis" means a systematic examination, evaluation, and testing process that culminates in identifying the dysfunction toward which physical therapy treatment will be directed. The term does not include a medical diagnosis.

SECTION 17. IC 25-27-1-2, AS AMENDED BY P.L.143-2022, SECTION 73, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 2. (a) Except as otherwise provided in this chapter and IC 25-27-2, it is unlawful for a person or business entity to do the following:

(1) Practice physical therapy without first obtaining from the board a license authorizing the person to practice physical therapy in this state.

(2) Profess to be or promote an employee to be a physical therapist, physiotherapist, doctor of physiotherapy, doctor of physical therapy, or registered physical therapist or to use the initials "P.T.", "D.P.T.", "L.P.T.", or "R.P.T.", or any other letters, words, abbreviations, or insignia indicating that physical therapy is provided by a physical therapist, unless physical therapy is provided by or under the direction of a physical therapist.

(3) Advertise services for physical therapy or physiotherapy services, unless the individual performing those services is a



1 physical therapist.

12 ~~— (1) teaching:~~

(2) doing research

13 (2) doing research;

14 (3) providing advisory services; or

14 (3) providing advisory services; and
15 ~~(4) conducting seminars on physical therapy;~~

16 is not considered to be a practice of physical therapy.

17 — (c) Except as otherwise provided in this chapter and IC 25-27-2,
18 it is unlawful for a person to profess to be or act as a physical therapist
19 assistant or to use the initials "P.T.A." or any other letters, words,
20 abbreviations, or insignia indicating that the person is a physical
21 therapist assistant without first obtaining from the board a certificate
22 authorizing the person to act as a physical therapist assistant. It is
23 unlawful for the person to act as a physical therapist assistant other
24 than under the general supervision of a licensed physical therapist who
25 is in responsible charge of a patient. However, nothing in this chapter
26 prohibits a person licensed or registered in this state under another law
27 from engaging in the practice for which the person is licensed or
28 registered. These exempted persons include persons engaged in the
29 practice of osteopathic medicine, chiropractic, or podiatric medicine.

30 — (d) Except as provided in section 2.5 of this chapter, This chapter
31 does not authorize a person who is licensed as a physical therapist or
32 certified as a physical therapist assistant to

certified as a physical therapist assistant to:

(1) evaluate any physical disability or mental disorder except upon the order or referral of a physician, a podiatrist, a psychologist, a chiropractor, a physician assistant, an advanced practice registered nurse, or a dentist;

(2) (1) practice medicine, surgery (as described in IC 25-22.5-1-1.1(a)(1)(C)), dentistry, optometry, osteopathic medicine, psychology, chiropractic, or podiatric medicine; or
(3) (2) prescribe a drug or other remedial substance used in

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therapist who is:

(1) licensed under this article; and

(2) an employee or contractor of a school corporation;

may provide mandated school services to a student that are within the physical therapist's scope of practice.

SECTION 18. IC 25-27-1-2.5, AS AMENDED BY P.L. 160-2019, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 2.5. (a) Except as provided in subsection (b), a physical therapist may evaluate and treat an individual during a period not to exceed forty-two (42) calendar days beginning with the date of the initiation of treatment without a referral from a provider described in section 2(b) of this chapter. However, if the individual needs additional treatment from the physical therapist after forty-two (42) calendar days, the physical therapist shall obtain a referral from the individual's provider, as described in section 2(b) of this chapter.

(b) A physical therapist may not perform spinal manipulation of the spinal column or the vertebral column unless:

(1) the physical therapist is acting on the order or referral of a physician, an osteopathic physician, or a chiropractor; and

(2) the referring physician, osteopathic physician, or chiropractor has examined the patient before issuing the order or referral.

(c) A physical therapist who conducts testing using electrophysiologic or electrodiagnostic testing must obtain and maintain the American Board of Physical Therapy Specialties Clinical Electrophysiologic Specialist Certification.

SECTION 19. IC 25-27-1-3.5 IS REPEALED [EFFECTIVE JULY 1, 2026]: Sec. 3.5. A physical therapist may not perform sharp debridement unless the physical therapist is acting on the order or referral of a:

(1) physician or osteopath licensed under IC 25-22.5; or

(2) podiatrist licensed under IC 25-29.

SECTION 20. IC 27-1-7-2.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 2.5. (a) This section applies to a policy of health insurance coverage that is issued, delivered, amended, or renewed after June 30, 2026.

(b) As used in this section, "health carrier" has the meaning set forth in IC 27-1-46-3.

(c) A health carrier may not contract with, enter into an agreement with, or use a pharmacy benefit manager to provide services for a policy of health insurance coverage described in subsection (a) if the health carrier has an ownership interest in the



pharmacy benefit manager.

(d) A person that willfully violates this section commits an unfair and deceptive act or practice in the business of insurance under IC 27-4-1-4 and is subject to the penalties and procedures set forth in IC 27-4-1.

SECTION ~~27-1-24.5-18.5~~¹⁷ IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 18.5.** (a) This section applies to a policy of health insurance coverage that is issued, delivered, amended, or renewed after June 30, 2026.

(b) As used in this section, "health carrier" has the meaning set forth in IC 27-1-46-3.

(c) A pharmacy benefit manager licensed under this chapter may not provide services under a policy of health insurance coverage for a health carrier that has an ownership interest in the pharmacy benefit manager.

SECTION ~~22~~¹⁸[18]. IC 27-1-24.5-18.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: **Sec. 18.6. A pharmacy benefit manager licensed under this chapter may not have an ownership interest in a pharmacy.**

SECTION ~~23~~[19]. IC 27-1-37.5-17, AS AMENDED BY P.L.144-2025, SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 17. (a) As used in this section, "necessary information" includes the results of any face-to-face clinical evaluation, second opinion, or other clinical information that is directly applicable to the requested health care service that may be required.

(b) If a utilization review entity makes an adverse determination on a prior authorization request by a covered individual's health care provider, the utilization review entity must offer the covered individual's health care provider the option to request a peer to peer review by a clinical peer concerning the adverse determination.

(c) A covered individual's health care provider may request a peer to peer review by a clinical peer either in writing or electronically.

(d) If a peer to peer review by a clinical peer is requested under this section:

(1) the utilization review entity's clinical peer and the covered individual's health care provider or the health care provider's designee shall make every effort to provide the peer to peer review not later than forty-eight (48) hours (excluding weekends and state and federal legal holidays) after the utilization review

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entity receives the request by the covered individual's health care provider for a peer to peer review if the utilization review entity has received the necessary information for the peer to peer review; and

5 (2) the utilization review entity must have the peer to peer
6 review conducted between the clinical peer and the covered
7 individual's health care provider or the provider's designee; **and**
8 **(3) the clinical peer must disclose the clinical peer's:**

9 (A) full name;

11 (C) speciality, if applicable;

12 to the covered individual's health care provider or the
13 provider's designee.

14 SECTION 2~~4~~10. IC 27-1-37.5-19.5 IS ADDED TO THE
15 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS
16 [EFFECTIVE JULY 1, 2026]: **Sec. 19.5. (a) A utilization review**
17 **entity may not use artificial intelligence as the primary means for**
18 **making adverse determinations.**

22 SECTION 2~~25~~[1]. IC 27-1-37.5-20, AS ADDED BY
23 P.L.144-2025, SECTION 29, IS AMENDED TO READ AS
24 FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 20. (a) A utilization
25 review entity must ensure that:

26 (1) all:

27 (A) adverse determinations based on medical necessity are
28 made:

31 (B) (C) appeals are reviewed and decided:

31 (B)(C) appears as
32 by a clinical peer; and

32 by a clinical peer, and
33 (2) when making an adverse determination based on medical
34 necessity or reviewing and deciding an appeal under
35 subdivision (1), the clinical peer is under the clinical direction
36 of a medical director of the utilization review entity who is:

36 or a medical director of the utilization review entity who is:
37 (A) responsible for the provision of health care services
38 provided to covered individuals; and

38 provided to covered individuals; and
39 (B) a physician licensed in Indiana under IC 25-22.5

41 who;
42 (1) has a financial interest in the outcome of the appeal; or

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1 (2) was involved in making the adverse determination that is the
2 subject of the appeal.

3 SECTION 2-~~6~~[2], IC 27-1-52.5 IS ADDED TO THE INDIANA
4 CODE AS A NEW CHAPTER TO READ AS FOLLOWS
5 [EFFECTIVE JULY 1, 2026]:

Chapter 52.5. Downcoding of Medical Claims

7 **Sec. 1. As used in this chapter, "CARC" refers to the claim**
8 **adjustment reason codes that provide the reason for a financial**
9 **adjustment specified to a particular claim or service, as referenced**
10 **in the transmitted Accredited Standards Committee (ASC) X12**
11 **835 standard transaction adopted by the Department of Health and**
12 **Human Services under 45 CFR 162.1602.**

13 Sec. 2. As used in this chapter, "downcoding" means the
14 unilateral alteration by a health insurer of the level of evaluation
15 and management service code or other service code submitted on
16 a claim that results in a lower payment.

17 **Sec. 3. (a)** As used in this chapter, "health insurer" means an
18 entity:

- (1) that is subject to this title and the administrative rules adopted under this title; and
- (2) that enters into a contract to:
 - (A) provide health care services;
 - (B) deliver health care services;
 - (C) arrange for health care services; or
 - (D) pay for or reimburse any of the costs of health care services.

(b) The term includes the following:

- (1) An insurer (as defined in IC 27-1-2-3(x)) that issues a policy of accident and sickness insurance (as defined in IC 27-8-5-1(a)).
- (2) A health maintenance organization (as defined in IC 27-13-1-19).
- (3) An administrator (as defined in IC 27-1-25-1(a)) that is licensed under IC 27-1-25.
- (4) A state employee health plan offered under IC 5-10-8.
- (5) A short term insurance plan (as defined in IC 27-8-5.9-3).
- (6) Any other entity that provides a plan of health insurance, health benefits, or health care services.

(c) The term does not include:

- (1) an insurer that issues a policy of accident and sickness insurance;
- (2) a limited service health maintenance organization (as

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defined in IC 27-13-34-4); or
(3) an administrator;
that only provides coverage for, or processes claims for, dental or
vision care services.

Sec. 4. As used in this chapter, "RARC" refers to remittance advice remark codes that provide:

- (1) supplemental information about a financial adjustment indicated by a CARC; or
- (2) information about remittance processing.

Sec. 5. (a) A health insurer may not use an automated:

- (1) process;
- (2) system; or
- (3) tool, including artificial intelligence;

to downcode a claim.

(b) A downcoding decision must be made by a physician who:

- (1) is licensed in Indiana under IC 25-22.5;**
- (2) has the same specialty as the treating physician; and**
- (3) performs a documented review of the clinical information supporting the billed service.**

Sec. 6. A health insurer may not downcode a claim based solely on the reported diagnosis code.

Sec. 7. If a claim is downcoded, the health insurer shall:

- (1) notify the physician using the appropriate CARC and RARC to clearly indicate that the claim has been downcoded; and
- (2) provide:

- (A) the specific reason for the downcoding, including reference to the clinical criteria used to justify the downcoding;
- (B) the original and revised service codes and payment amounts;
- (C) the:

(i) national provider identifier;
(ii) credentials;
(iii) board certifications; and
(iv) areas of specialty expertise and training;
of the physician who is responsible for the downcoding decision; and
(D) a notice of the right to appeal as described in section 8 of this chapter.

Sec. 8. (a) A health insurer shall provide physicians with a clear and accessible process for appealing downcoded claims,

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1 including:

- (1) a written or electronic notice detailing how to initiate an appeal;
- (2) contact information for the individual managing the appeal;
- (3) a timeline for submission of an appeal that is not less than one hundred eighty (180) days; and
- (4) a timeline for adjudication of an appeal that is not later than forty-eight (48) hours after an appeal is submitted.

13 Sec. 9. A health insurer may not use downcoding practices in
14 a targeted or discriminatory manner against physicians who
15 routinely treat patients with complex or chronic conditions.

18 (b) The department may do any of the following:

- (1) Impose monetary penalties of not more than fifty thousand dollars (\$50,000) per violation of this chapter.
- (2) Order a health insurer to reprocess improperly downcoded claims with interest.
- (3) If a pattern or practice of discriminatory downcoding is identified by the department, suspend a health insurer's certificate of authority or license.

SECTION 2~~↔~~[3]. IC 27-4-1-4, AS AMENDED BY P.L.158-2024, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]: Sec. 4. (a) The following are hereby defined as unfair methods of competition and unfair and deceptive acts and practices in the business of insurance:

- (A) misrepresenting the terms of any policy issued or to be issued or the benefits or advantages promised thereby or the dividends or share of the surplus to be received thereon;
- (B) making any false or misleading statement as to the dividends or share of surplus previously paid on similar policies;

(C) making any misleading representation or any misrepresentation as to the financial condition of any insurer, or as to the legal reserve system upon which any life insurer operates;



1 (D) using any name or title of any policy or class of policies
2 misrepresenting the true nature thereof; or
3 (E) making any misrepresentation to any policyholder
4 insured in any company for the purpose of inducing or
5 tending to induce such policyholder to lapse, forfeit, or
6 surrender the policyholder's insurance.

7 (2) Making, publishing, disseminating, circulating, or placing
8 before the public, or causing, directly or indirectly, to be made,
9 published, disseminated, circulated, or placed before the public,
10 in a newspaper, magazine, or other publication, or in the form of
11 a notice, circular, pamphlet, letter, or poster, or over any radio or
12 television station, or in any other way, an advertisement,
13 announcement, or statement containing any assertion,
14 representation, or statement with respect to any person in the
15 conduct of the person's insurance business, which is untrue,
16 deceptive, or misleading.

17 (3) Making, publishing, disseminating, or circulating, directly or
18 indirectly, or aiding, abetting, or encouraging the making,
19 publishing, disseminating, or circulating of any oral or written
20 statement or any pamphlet, circular, article, or literature which
21 is false, or maliciously critical of or derogatory to the financial
22 condition of an insurer, and which is calculated to injure any
23 person engaged in the business of insurance.

24 (4) Entering into any agreement to commit, or individually or by
25 a concerted action committing any act of boycott, coercion, or
26 intimidation resulting or tending to result in unreasonable
27 restraint of, or a monopoly in, the business of insurance.

28 (5) Filing with any supervisory or other public official, or
29 making, publishing, disseminating, circulating, or delivering to
30 any person, or placing before the public, or causing directly or
31 indirectly, to be made, published, disseminated, circulated,
32 delivered to any person, or placed before the public, any false
33 statement of financial condition of an insurer with intent to
34 deceive. Making any false entry in any book, report, or statement
35 of any insurer with intent to deceive any agent or examiner
36 lawfully appointed to examine into its condition or into any of its
37 affairs, or any public official to which such insurer is required by
38 law to report, or which has authority by law to examine into its
39 condition or into any of its affairs, or, with like intent, willfully
40 omitting to make a true entry of any material fact pertaining to
41 the business of such insurer in any book, report, or statement of
42 such insurer.

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1 (6) Issuing or delivering or permitting agents, officers, or
2 employees to issue or deliver, agency company stock or other
3 capital stock, or benefit certificates or shares in any common law
4 corporation, or securities or any special or advisory board
5 contracts or other contracts of any kind promising returns and
6 profits as an inducement to insurance.

7 (7) Making or permitting any of the following:

8 (A) Unfair discrimination between individuals of the same
9 class and equal expectation of life in the rates or
10 assessments charged for any contract of life insurance or of
11 life annuity or in the dividends or other benefits payable
12 thereon, or in any other of the terms and conditions of such
13 contract. However, in determining the class, consideration
14 may be given to the nature of the risk, plan of insurance, the
15 actual or expected expense of conducting the business, or
16 any other relevant factor.

17 (B) Unfair discrimination between individuals of the same
18 class involving essentially the same hazards in the amount
19 of premium, policy fees, assessments, or rates charged or
20 made for any policy or contract of accident or health
21 insurance or in the benefits payable thereunder, or in any of
22 the terms or conditions of such contract, or in any other
23 manner whatever. However, in determining the class,
24 consideration may be given to the nature of the risk, the
25 plan of insurance, the actual or expected expense of
26 conducting the business, or any other relevant factor.

27 (C) Excessive or inadequate charges for premiums, policy
28 fees, assessments, or rates, or making or permitting any
29 unfair discrimination between persons of the same class
30 involving essentially the same hazards, in the amount of
31 premiums, policy fees, assessments, or rates charged or
32 made for:

33 (i) policies or contracts of reinsurance or joint
34 reinsurance, or abstract and title insurance;

35 (ii) policies or contracts of insurance against loss or
36 damage to aircraft, or against liability arising out of the
37 ownership, maintenance, or use of any aircraft, or of
38 vessels or craft, their cargoes, marine builders' risks,
39 marine protection and indemnity, or other risks
40 commonly insured under marine, as distinguished from
41 inland marine, insurance; or

42 (iii) policies or contracts of any other kind or kinds of

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1 insurance whatsoever.

2 However, nothing contained in clause (C) shall be construed to
 3 apply to any of the kinds of insurance referred to in clauses (A)
 4 and (B) nor to reinsurance in relation to such kinds of insurance.
 5 Nothing in clause (A), (B), or (C) shall be construed as making
 6 or permitting any excessive, inadequate, or unfairly
 7 discriminatory charge or rate or any charge or rate determined by
 8 the department or commissioner to meet the requirements of any
 9 other insurance rate regulatory law of this state.

10 (8) Except as otherwise expressly provided by IC 27-1-47 or
 11 another law, knowingly permitting or offering to make or making
 12 any contract or policy of insurance of any kind or kinds
 13 whatsoever, including but not in limitation, life annuities, or
 14 agreement as to such contract or policy other than as plainly
 15 expressed in such contract or policy issued thereon, or paying or
 16 allowing, or giving or offering to pay, allow, or give, directly or
 17 indirectly, as inducement to such insurance, or annuity, any
 18 rebate of premiums payable on the contract, or any special favor
 19 or advantage in the dividends, savings, or other benefits thereon,
 20 or any valuable consideration or inducement whatever not
 21 specified in the contract or policy; or giving, or selling, or
 22 purchasing or offering to give, sell, or purchase as inducement
 23 to such insurance or annuity or in connection therewith, any
 24 stocks, bonds, or other securities of any insurance company or
 25 other corporation, association, limited liability company, or
 26 partnership, or any dividends, savings, or profits accrued
 27 thereon, or anything of value whatsoever not specified in the
 28 contract. Nothing in this subdivision and subdivision (7) shall be
 29 construed as including within the definition of discrimination or
 30 rebates any of the following practices:

31 (A) Paying bonuses to policyholders or otherwise abating
 32 their premiums in whole or in part out of surplus
 33 accumulated from nonparticipating insurance, so long as
 34 any such bonuses or abatement of premiums are fair and
 35 equitable to policyholders and for the best interests of the
 36 company and its policyholders.

37 (B) In the case of life insurance policies issued on the
 38 industrial debit plan, making allowance to policyholders
 39 who have continuously for a specified period made
 40 premium payments directly to an office of the insurer in an
 41 amount which fairly represents the saving in collection
 42 expense.



1 (C) Readjustment of the rate of premium for a group
2 insurance policy based on the loss or expense experience
3 thereunder, at the end of the first year or of any subsequent
4 year of insurance thereunder, which may be made
5 retroactive only for such policy year.

6 (D) Paying by an insurer or insurance producer thereof duly
7 licensed as such under the laws of this state of money,
8 commission, or brokerage, or giving or allowing by an
9 insurer or such licensed insurance producer thereof
10 anything of value, for or on account of the solicitation or
11 negotiation of policies or other contracts of any kind or
12 kinds, to a broker, an insurance producer, or a solicitor duly
13 licensed under the laws of this state, but such broker,
14 insurance producer, or solicitor receiving such
15 consideration shall not pay, give, or allow credit for such
16 consideration as received in whole or in part, directly or
17 indirectly, to the insured by way of rebate.

18 (9) Requiring, as a condition precedent to loaning money upon
19 the security of a mortgage upon real property, that the owner of
20 the property to whom the money is to be loaned negotiate any
21 policy of insurance covering such real property through a
22 particular insurance producer or broker or brokers. However, this
23 subdivision shall not prevent the exercise by any lender of the
24 lender's right to approve or disapprove of the insurance company
25 selected by the borrower to underwrite the insurance.

26 (10) Entering into any contract, combination in the form of a
27 trust or otherwise, or conspiracy in restraint of commerce in the
28 business of insurance.

(11) Monopolizing or attempting to monopolize or combining or conspiring with any other person or persons to monopolize any part of commerce in the business of insurance. However, participation as a member, director, or officer in the activities of any nonprofit organization of insurance producers or other workers in the insurance business shall not be interpreted, in itself, to constitute a combination in restraint of trade or as combining to create a monopoly as provided in this subdivision and subdivision (10). The enumeration in this chapter of specific unfair methods of competition and unfair or deceptive acts and practices in the business of insurance is not exclusive or restrictive or intended to limit the powers of the commissioner or department or of any court of review under section 8 of this chapter.

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1 (12) Requiring as a condition precedent to the sale of real or
 2 personal property under any contract of sale, conditional sales
 3 contract, or other similar instrument or upon the security of a
 4 chattel mortgage, that the buyer of such property negotiate any
 5 policy of insurance covering such property through a particular
 6 insurance company, insurance producer, or broker or brokers.
 7 However, this subdivision shall not prevent the exercise by any
 8 seller of such property or the one making a loan thereon of the
 9 right to approve or disapprove of the insurance company selected
 10 by the buyer to underwrite the insurance.

11 (13) Issuing, offering, or participating in a plan to issue or offer,
 12 any policy or certificate of insurance of any kind or character as
 13 an inducement to the purchase of any property, real, personal, or
 14 mixed, or services of any kind, where a charge to the insured is
 15 not made for and on account of such policy or certificate of
 16 insurance. However, this subdivision shall not apply to any of
 17 the following:

18 (A) Insurance issued to credit unions or members of credit
 19 unions in connection with the purchase of shares in such
 20 credit unions.

21 (B) Insurance employed as a means of guaranteeing the
 22 performance of goods and designed to benefit the
 23 purchasers or users of such goods.

24 (C) Title insurance.

25 (D) Insurance written in connection with an indebtedness
 26 and intended as a means of repaying such indebtedness in
 27 the event of the death or disability of the insured.

28 (E) Insurance provided by or through motorists service
 29 clubs or associations.

30 (F) Insurance that is provided to the purchaser or holder of
 31 an air transportation ticket and that:

32 (i) insures against death or nonfatal injury that occurs
 33 during the flight to which the ticket relates;

34 (ii) insures against personal injury or property damage
 35 that occurs during travel to or from the airport in a
 36 common carrier immediately before or after the flight;

37 (iii) insures against baggage loss during the flight to
 38 which the ticket relates; or

39 (iv) insures against a flight cancellation to which the
 40 ticket relates.

41 (14) Refusing, because of the for-profit status of a hospital or
 42 medical facility, to make payments otherwise required to be



1 made under a contract or policy of insurance for charges
 2 incurred by an insured in such a for-profit hospital or other
 3 for-profit medical facility licensed by the Indiana department of
 4 health.

5 (15) Refusing to insure an individual, refusing to continue to issue insurance to an individual, limiting the amount, extent, or kind of coverage available to an individual, or charging an individual a different rate for the same coverage, solely because of that individual's blindness or partial blindness, except where the refusal, limitation, or rate differential is based on sound actuarial principles or is related to actual or reasonably anticipated experience.

13 (16) Committing or performing, with such frequency as to indicate a general practice, unfair claim settlement practices (as defined in section 4.5 of this chapter).

16 (17) Between policy renewal dates, unilaterally canceling an individual's coverage under an individual or group health insurance policy solely because of the individual's medical or physical condition.

20 (18) Using a policy form or rider that would permit a cancellation of coverage as described in subdivision (17).

22 (19) Violating IC 27-1-22-25, IC 27-1-22-26, or IC 27-1-22-26.1 concerning motor vehicle insurance rates.

24 (20) Violating IC 27-8-21-2 concerning advertisements referring to interest rate guarantees.

26 (21) Violating IC 27-8-24.3 concerning insurance and health plan coverage for victims of abuse.

28 (22) Violating IC 27-8-26 concerning genetic screening or testing.

30 (23) Violating IC 27-1-15.6-3(b) concerning licensure of insurance producers.

32 (24) Violating IC 27-1-38 concerning depository institutions.

33 (25) Violating IC 27-8-28-17(c) or IC 27-13-10-8(c) concerning the resolution of an appealed grievance decision.

35 (26) Violating IC 27-8-5-2.5(e) through IC 27-8-5-2.5(j) (expired July 1, 2007, and removed) or IC 27-8-5-19.2 (expired July 1, 2007, and repealed).

38 (27) Violating IC 27-2-21 concerning use of credit information.

39 (28) Violating IC 27-4-9-3 concerning recommendations to consumers.

41 (29) Engaging in dishonest or predatory insurance practices in marketing or sales of insurance to members of the United States



1 Armed Forces as:

- (A) described in the federal Military Personnel Financial Services Protection Act, P.L.109-290; or
- (B) defined in rules adopted under subsection (b).

(30) Violating IC 27-8-19.8-20.1 concerning stranger originated life insurance.

(31) Violating IC 27-2-22 concerning retained asset accounts.

(32) Violating IC 27-8-5-29 concerning health plans offered through a health benefit exchange (as defined in IC 27-19-2-8).

(33) Violating a requirement of the federal Patient Protection and Affordable Care Act (P.L. 111-148), as amended by the federal Health Care and Education Reconciliation Act of 2010 (P.L. 111-152), that is enforceable by the state.

(34) After June 30, 2015, violating IC 27-2-23 concerning unclaimed life insurance, annuity, or retained asset account benefits.

(35) Willfully violating IC 27-1-12-46 concerning a life insurance policy or certificate described in IC 27-1-12-46(a).

(36) Violating IC 27-1-37-7 concerning prohibiting the disclosure of health care service claims data.

(37) Violating IC 27-4-10-10 concerning virtual claims payments.

(38) Violating IC 27-1-24.5 concerning pharmacy benefit managers.

(39) Violating IC 27-7-17-16 or IC 27-7-17-17 concerning the marketing of travel insurance policies

marketing of travel insurance policies.

(40) Violating IC 27-1-49 concerning individual prescription drug rebates.

(41) Violating IC 27-1-50 concerning group prescription drug rebates.

(42) Violating IC 27-1-7-2.5 concerning a health carrier contracting with a pharmacy benefit manager in which the health carrier has an ownership interest

(b) Except with respect to federal insurance programs under Subchapter III of Chapter 19 of Title 38 of the United States Code, the commissioner may, consistent with the federal Military Personnel Financial Services Protection Act (10 U.S.C. 992 note), adopt rules under JC 4-22-2 to:

(1) define; and

(2) while the members are on a United States military installation or elsewhere in Indiana, protect members of the United States Armed Forces from:

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1 dishonest or predatory insurance practices.

2 SECTION 2~~8~~[4]. IC 27-8-5-27.5 IS ADDED TO THE
 3 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS
 4 [EFFECTIVE JULY 1, 2026]: Sec. 27.5. **(a) This section applies to a**
 5 **policy of accident and sickness insurance that provides coverage**
 6 **for anesthesia services and is issued, amended, or renewed after**
 7 **June 30, 2026.**

8 **(b) As used in this section, "anesthesia time" means the period**
 9 **beginning when an anesthesia practitioner begins to prepare a**
 10 **patient for anesthesia services in the operating room or an**
 11 **equivalent area and ends when the anesthesia practitioner is no**
 12 **longer furnishing anesthesia services to the patient. The term**
 13 **includes blocks of time around an interruption in anesthesia time**
 14 **provided that the anesthesia practitioner is furnishing continuous**
 15 **anesthesia care within the time periods surrounding the**
 16 **interruption.**

17 **(c) A policy of accident and sickness insurance may not impose**
 18 **any of the following concerning the provision of anesthesia services**
 19 **during a medical procedure:**

- 20 **(1) A time limit on the amount of covered anesthesia time for**
 21 **any medical procedure.**
- 22 **(2) Restrictions or exclusions of coverage or payment of**
 23 **anesthesia time.**

24 SECTION 2~~9~~[5]. IC 27-13-7-15.2 IS ADDED TO THE
 25 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS
 26 [EFFECTIVE JULY 1, 2026]: Sec. 15.2. **(a) This section applies to an**
 27 **individual or group contract that provides coverage for anesthesia**
 28 **services and is issued, amended, or renewed after June 30, 2026.**

29 **(b) As used in this section, "anesthesia time" means the period**
 30 **beginning when an anesthesia practitioner begins to prepare a**
 31 **patient for anesthesia services in the operating room or an**
 32 **equivalent area and ends when the anesthesia practitioner is no**
 33 **longer furnishing anesthesia services to the patient. The term**
 34 **includes blocks of time around an interruption in anesthesia time**
 35 **provided that the anesthesia practitioner is furnishing continuous**
 36 **anesthesia care within the time periods surrounding the**
 37 **interruption.**

38 **(c) An individual or group contract may not impose any of the**
 39 **following concerning the provision of anesthesia services during a**
 40 **medical procedure:**

- 41 **(1) A time limit on the amount of covered anesthesia time for**
 42 **any medical procedure.**



3 SECTION ~~20~~[26]. IC 34-30-2.1-256.5 IS ADDED TO THE
4 INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS
5 [EFFECTIVE JULY 1, 2026]: Sec. 256.5. IC 16-42-26.7-9
6 (Concerning practitioners, eligible facilities, research institutions,
7 and other persons participating in providing neuroplastogen
8 treatment).[1]

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