
SENATE BILL No. 225

AM022505 has been incorporated into January 27, 2026 printing.

Synopsis: Hospital matters.

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SB 225—LS 6563/DI 104



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 *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2025 Regular Session of the General Assembly.

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SENATE BILL No. 225

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 4-6-2-13 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2026]: **Sec. 13. (a) The attorney general may:**
4 **(1) suspend the authority of a hospital, or a debt collector or**
5 **other third party on behalf of a hospital, to pursue medical**
6 **debt collection as described in IC 16-21-16-3; and**
7 **(2) terminate the suspension upon the hospital's compliance**
8 **with IC 16-21-16, as determined by the Indiana department**
9 **of health.**
10 **(b) The attorney general shall enforce IC 16-21-16.**
11 SECTION 2. IC 16-18-2-14, AS AMENDED BY P.L.213-2025,
12 SECTION 146, IS AMENDED TO READ AS FOLLOWS
13 [EFFECTIVE JULY 1, 2026]: **Sec. 14. (a) "Ambulatory outpatient**
14 **surgical center", for purposes of IC 16-19, IC 16-21, IC 16-32-5, and**
15 **IC 16-38-2, means a public or private institution that meets the**
16 **following conditions:**
17 **(1) Is established, equipped, and operated primarily for the**

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- 1 purpose of performing surgical procedures and services.
- 2 (2) Is operated under the supervision of at least one (1) licensed
- 3 physician or under the supervision of the governing board of the
- 4 hospital if the center is affiliated with a hospital.
- 5 (3) Permits a surgical procedure to be performed only by a
- 6 physician, dentist, or podiatrist who meets the following
- 7 conditions:
- 8 (A) Is qualified by education and training to perform the
- 9 surgical procedure.
- 10 (B) Is legally authorized to perform the procedure.
- 11 ~~(C) Is privileged to perform surgical procedures in at least~~
- 12 ~~one (1) hospital within the county or an Indiana county~~
- 13 ~~adjacent to the county in which the ambulatory outpatient~~
- 14 ~~surgical center is located.~~
- 15 ~~(D)~~ (C) Is admitted to the open staff of the ambulatory
- 16 outpatient surgical center.
- 17 (4) Requires that a licensed physician with specialized training
- 18 or experience in the administration of an anesthetic supervise the
- 19 administration of the anesthetic to a patient and remain present
- 20 in the facility during the surgical procedure, except when only a
- 21 local infiltration anesthetic is administered.
- 22 (5) Provides at least one (1) operating room and, if anesthetics
- 23 other than local infiltration anesthetics are administered, at least
- 24 one (1) postanesthesia recovery room.
- 25 (6) Is equipped to perform diagnostic x-ray and laboratory
- 26 examinations required in connection with any surgery
- 27 performed.
- 28 (7) Does not provide accommodations for patient stays of longer
- 29 than twenty-four (24) hours.
- 30 (8) Provides full-time services of registered and licensed nurses
- 31 for the professional care of the patients in the postanesthesia
- 32 recovery room.
- 33 (9) Has available the necessary equipment and trained personnel
- 34 to handle foreseeable emergencies such as a defibrillator for
- 35 cardiac arrest, a tracheotomy set for airway obstructions, and a
- 36 blood bank or other blood supply.
- 37 (10) Maintains a written agreement with at least one (1) hospital
- 38 for immediate acceptance of patients who develop complications
- 39 or require postoperative confinement.
- 40 (11) Provides for the periodic review of the center and the
- 41 center's operations by a committee of at least three (3) licensed
- 42 physicians having no financial connections with the center.

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- 1 (12) Maintains adequate medical records for each patient.
- 2 (13) Meets all additional minimum requirements as established
- 3 by the state department for building and equipment
- 4 requirements.
- 5 (14) Meets the rules and other requirements established by the
- 6 state department for the health, safety, and welfare of the
- 7 patients.

- 8 (b) The term does not include a birthing center.
- 9 (c) "Ambulatory outpatient surgical center", for purposes of
- 10 IC 16-34, refers to an institution described in subsection (a) and that
- 11 has a majority ownership by a hospital licensed under IC 16-21.

12 SECTION 3. IC 16-18-2-223.2 IS ADDED TO THE INDIANA
 13 CODE AS A NEW SECTION TO READ AS FOLLOWS
 14 [EFFECTIVE JULY 1, 2026]: **Sec. 223.2. "Medical debt", for**
 15 **purposes of IC 16-21-16, has the meaning set forth in**
 16 **IC 16-21-16-2.**

17 SECTION 4. IC 16-18-2-328.8 IS ADDED TO THE INDIANA
 18 CODE AS A NEW SECTION TO READ AS FOLLOWS
 19 [EFFECTIVE JULY 1, 2026]: **Sec. 328.8. "Service line", for**
 20 **purposes of IC 16-21-17.1, has the meaning set forth in**
 21 **IC 16-21-17.1-1.**

22 SECTION 5. IC 16-21-16 IS ADDED TO THE INDIANA CODE
 23 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 24 JULY 1, 2026]:

25 **Chapter 16. Medical Debt Collection Restrictions**

26 **Sec. 1. This chapter applies to medical debt incurred after**
 27 **June 30, 2026.**

28 **Sec. 2. (a) As used in this chapter, "medical debt" means any**
 29 **amount owed that is past due by at least one hundred twenty (120)**
 30 **days for health care services, products, or devices provided to an**
 31 **individual by or in a hospital.**

32 **(b) The term does not include debt purchased by, payable to,**
 33 **or owed to a financial institution (as defined in IC 28-1-1-3(1)) or**
 34 **the financial institution's assignee.**

35 **Sec. 3. (a) A hospital, or a debt collector or other third party**
 36 **on behalf of a hospital, may not pursue collection of a medical debt**
 37 **unless the hospital is in compliance with the following statutes, if**
 38 **applicable to the hospital:**

- 39 (1) IC 16-21-6.
- 40 (2) IC 16-21-9.
- 41 (3) IC 16-21-17.1.
- 42 (4) IC 16-21-19.

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1 (b) The state department shall determine on a semiannual
2 basis whether a hospital is in compliance with the statutes specified
3 in subsection (a) and notify a hospital, in writing, of the state
4 department's determination concerning the hospital's compliance.
5 A determination under this subsection is subject to review under
6 IC 4-21.5.

7 (c) The state department shall notify the office of the attorney
8 general if the state department makes a final determination after,
9 if applicable, any review under IC 4-21.5, that a hospital is
10 noncompliant with the statutes described in subsection (a).

11 (d) The state department shall notify the office of the attorney
12 general of the following under this chapter:

13 (1) A final determination that a hospital is noncompliant.

14 (2) A determination that a hospital that was noncompliant
15 has remedied the noncompliance and is now compliant with
16 the statutes.

17 Upon receiving a notice under subdivision (2), the office of the
18 attorney general shall terminate a suspension described in
19 subsection (e).

20 (e) Unless a review under IC 4-21.5 by the hospital is pending,
21 the office of the attorney general may suspend the noncompliant
22 hospital's authority to pursue medical debt collection after
23 receiving the notification set forth in subsection (d)(1) until the
24 office of the attorney general receives the notice under subsection
25 (d)(2) that the noncompliance has been remedied.

26 (f) An individual may raise a hospital's noncompliance with a
27 statute set forth in subsection (a) as an affirmative defense in any
28 medical debt collection action that occurs during a period of
29 noncompliance once a final determination has been made under
30 subsection (c).

31 (g) A hospital may pursue collection of a medical debt
32 previously incurred by an individual when the hospital was
33 noncompliant under subsection (a) if the state department
34 subsequently makes a determination, in writing, that the
35 noncompliance has been remedied and the hospital is designated by
36 the state department as compliant under this chapter.

37 Sec. 4. (a) The state department shall post and update a list of
38 the noncompliant hospitals on the state department's website.

39 (b) The state department shall adopt procedures for the
40 following:

41 (1) The state department's review of a hospital's compliance
42 under this chapter, including a schedule for reviewing and

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1 issuing determinations concerning compliance.
2 (2) A noncompliant hospital's subsequent compliance status
3 review to determine if the noncompliance has been remedied.
4 **Sec. 5. (a) The attorney general shall enforce any suspension**
5 **under section 3(e) of this chapter and may do any of the following:**
6 (1) Investigate alleged violations.
7 (2) Impose civil penalties of not more than ten thousand
8 dollars (\$10,000) per violation.
9 (3) Order restitution to an affected patient or individual.
10 (4) Suspend or prohibit a hospital, a debt collector, or other
11 third party from collecting medical debt until compliance is
12 verified.
13 (b) The attorney general may adopt rules under IC 4-22-2 to
14 implement and administer this chapter.
15 **Sec. 6. An individual injured by a violation of this chapter may**
16 **bring a civil action to recover in an appropriate court any of the**
17 **following:**
18 (1) Actual damages.
19 (2) Statutory damages not to exceed one thousand dollars
20 (\$1,000).
21 (3) Injunctive relief.
22 SECTION 6. IC 16-21-17.1 IS ADDED TO THE INDIANA
23 CODE AS A NEW CHAPTER TO READ AS FOLLOWS
24 [EFFECTIVE JULY 1, 2026]:
25 **Chapter 17.1. Notice of Closure or Elimination of Service**
26 **Lines**
27 **Sec. 1. As used in this chapter, "service line" means a category**
28 **of hospital based clinical services offered to patients, including the**
29 **following:**
30 (1) Emergency.
31 (2) Obstetrics.
32 (3) Neonatal.
33 (4) Trauma.
34 (5) Behavioral health services.
35 **Sec. 2. (a) Except as provided in section 4 of this chapter, a**
36 **hospital shall provide written notice to the state department at**
37 **least sixty (60) days before the hospital does any of the following:**
38 (1) Closes a hospital licensed under IC 16-21 and
39 permanently terminates all hospital operations.
40 (2) Completely eliminates a service line for longer than
41 ninety (90) days.
42 (b) The notice under subsection (a) must include the following:

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- 1 (1) The proposed date of closure of the hospital or
- 2 elimination of a service line.
- 3 (2) A description of the affected services and capacity.
- 4 (3) The hospital's plan for patient continuity of care.
- 5 **Sec. 3. Except as provided in section 4 of this chapter, not later**
- 6 **than ten (10) days after the notice is issued under section 2 of this**
- 7 **chapter, the following must occur:**
- 8 (1) The state department shall post a summary of the
- 9 proposed closure of a hospital or an elimination of a service
- 10 line on the state department's website.
- 11 (2) The state department shall notify the office of the
- 12 secretary of family and social services and any other affected
- 13 state agency of the closure of the hospital or elimination of a
- 14 service line.
- 15 **Sec. 4. (a) The state department may waive the requirements**
- 16 **in sections 2 and 3 of this chapter upon written request by the**
- 17 **hospital only if:**
- 18 (1) the closure or an elimination of a service line described in
- 19 section 2 of this chapter is necessary due to a natural
- 20 disaster, catastrophic facility failure, or other emergency
- 21 event beyond the hospital's control; or
- 22 (2) the state department determines that the waiver is
- 23 necessary to protect the public's health and safety, including
- 24 the loss of practitioners necessary to provide the service line.
- 25 (b) The state department shall in a reasonable time period post
- 26 on the state department's website any waiver granted under this
- 27 section and the justification for the waiver.
- 28 **Sec. 5. A hospital that violates this chapter may be subject to**
- 29 **a civil penalty not to exceed ten thousand dollars (\$10,000).**

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