

PRINTING CODE. Deletions appear in <this style type>. Insertions appear in [this style type]. Typeface changes are shown in <this > < style > < type > or in [this] [style] [type].

ENGROSSED SENATE BILL No. 225

Proposed Changes to February 10, 2026 printing by AM022507

DIGEST OF PROPOSED AMENDMENT

Health matters. Deletes the provision amending the duties of a nonprofit subsidiary corporation established by the Indiana department of health concerning health care resources and infrastructure for veterans.

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**
- 18 **purpose of performing surgical procedures and services.**

M
a
r
k
u
p

ES 225—LS 6563/DI 104



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

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

M
a
r
k
u
p

ES 225—LS 6563/DI 104



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

- 1 (13) Meets all additional minimum requirements as established
- 2 by the state department for building and equipment
- 3 requirements.
- 4 (14) Meets the rules and other requirements established by the
- 5 state department for the health, safety, and welfare of the
- 6 patients.
- 7 (b) The term does not include a birthing center.
- 8 (c) "Ambulatory outpatient surgical center", for purposes of
- 9 IC 16-34, refers to an institution described in subsection (a) and that
- 10 has a majority ownership by a hospital licensed under IC 16-21.

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

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

21 ~~SECTION 5. IC 16-19-3-30, AS AMENDED BY P.L.181-2015,~~
 22 ~~SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE~~
 23 ~~JULY 1, 2026]: Sec. 30. (a) The state department may establish a~~
 24 ~~nonprofit subsidiary corporation that is exempt from federal income~~
 25 ~~taxation under Section 501(c)(3) of the Internal Revenue Code, to~~
 26 ~~solicit and accept private funding, gifts, donations, bequests, devises,~~
 27 ~~and contributions:~~

- 28 ~~(b) A subsidiary corporation established under this section:~~
- 29 ~~(1) shall use money received under subsection (a) to carry out in~~
 30 ~~any manner the purposes and programs of the state department,~~
 31 ~~which may include programs intended to reduce infant mortality,~~
 32 ~~increase childhood immunizations, reduce obesity, and reduce~~
 33 ~~smoking rates, and enhance health care resources and~~
 34 ~~infrastructure for veterans;~~
- 35 ~~(2) shall report to the budget committee each year concerning:~~
- 36 ~~(A) the use of money received under subsection (a); and~~
- 37 ~~(B) the balances in any accounts or funds established by the~~
 38 ~~subsidiary corporation; and~~
- 39 ~~(3) may deposit money received under subsection (a) in an~~
 40 ~~account or fund that is:~~
- 41 ~~(A) administered by the subsidiary corporation; and~~
- 42 ~~(B) not part of the state treasury.~~

M
a
r
k
u
p

ES 225—LS 6563/DI 104



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY

1 ~~— (c) A subsidiary corporation established under this section is~~
 2 ~~governed by a board of directors comprised of members appointed by~~
 3 ~~the governor. Employees of the state department may serve on the~~
 4 ~~board of directors.~~
 5 ~~— (d) Employees of the state department shall provide administrative~~
 6 ~~support for a subsidiary corporation established under this section.~~
 7 ~~Employees of the state department directly involved in the subsidiary~~
 8 ~~corporation established under this section may engage in fundraising~~
 9 ~~activities on behalf of the subsidiary corporation.~~
 10 ~~— (e) The state board of accounts shall audit a subsidiary corporation~~
 11 ~~established under this section.~~

12 > SECTION <6>[5]. IC 16-21-16 IS ADDED TO THE INDIANA
 13 CODE AS A NEW CHAPTER TO READ AS FOLLOWS
 14 [EFFECTIVE JULY 1, 2026]:

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

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

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

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

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

- 29 (1) IC 16-21-6.
- 30 (2) IC 16-21-9.
- 31 (3) IC 16-21-17.1.
- 32 (4) IC 16-21-19.

33 **(b) The state department shall determine on a semiannual**
 34 **basis whether a hospital is in compliance with the statutes specified**
 35 **in subsection (a) and notify a hospital, in writing, of the state**
 36 **department's determination concerning the hospital's compliance.**
 37 **A determination under this subsection is subject to review under**
 38 **IC 4-21.5.**

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

M
a
r
k
u
p



1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42

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

- (1) A final determination that a hospital is noncompliant.
- (2) A determination that a hospital that was noncompliant has remedied the noncompliance and is now compliant with the statutes.

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

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

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

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

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

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

- (1) The state department's review of a hospital's compliance under this chapter, including a schedule for reviewing and issuing determinations concerning compliance.
- (2) A noncompliant hospital's subsequent compliance status review to determine if the noncompliance has been remedied.

Sec. 5. (a) The attorney general shall enforce any suspension under section 3(e) of this chapter and may do any of the following:

- (1) Investigate alleged violations.
- (2) Impose civil penalties of not more than ten thousand dollars (\$10,000) per violation.
- (3) Order restitution to an affected patient or individual.
- (4) Suspend or prohibit a hospital, a debt collector, or other

M
a
r
k
u
p



1 third party from collecting medical debt until compliance is
2 verified.

3 (b) The attorney general may adopt rules under IC 4-22-2 to
4 implement and administer this chapter.

5 Sec. 6. An individual injured by a violation of this chapter may
6 bring a civil action to recover in an appropriate court any of the
7 following:

- 8 (1) Actual damages.
- 9 (2) Statutory damages not to exceed one thousand dollars
10 (\$1,000).
- 11 (3) Injunctive relief.

12 SECTION ~~6~~ [6]. IC 16-21-17.1 IS ADDED TO THE INDIANA
13 CODE AS A NEW CHAPTER TO READ AS FOLLOWS
14 [EFFECTIVE JULY 1, 2026]:

15 Chapter 17.1. Notice of Closure or Elimination of Service
16 Lines

17 Sec. 1. As used in this chapter, "service line" means a category
18 of hospital based clinical services offered to patients, including the
19 following:

- 20 (1) Emergency.
- 21 (2) Obstetrics.
- 22 (3) Neonatal.
- 23 (4) Trauma.
- 24 (5) Behavioral health services.

25 Sec. 2. (a) Except as provided in section 4 of this chapter, a
26 hospital shall provide written notice to the state department at
27 least sixty (60) days before the hospital does any of the following:

- 28 (1) Closes a hospital licensed under IC 16-21 and
29 permanently terminates all hospital operations.
- 30 (2) Completely eliminates a service line for longer than
31 ninety (90) days.

32 (b) The notice under subsection (a) must include the following:

- 33 (1) The proposed date of closure of the hospital or
34 elimination of a service line.
- 35 (2) A description of the affected services and capacity.
- 36 (3) The hospital's plan for patient continuity of care.

37 Sec. 3. Except as provided in section 4 of this chapter, not later
38 than ten (10) days after the notice is issued under section 2 of this
39 chapter, the following must occur:

- 40 (1) The state department shall post a summary of the
41 proposed closure of a hospital or an elimination of a service
42 line on the state department's website.

M
a
r
k
u
p



1 **(2) The state department shall notify the office of the**
 2 **secretary of family and social services and any other affected**
 3 **state agency of the closure of the hospital or elimination of a**
 4 **service line.**
 5 **Sec. 4. (a) The state department may waive the requirements**
 6 **in sections 2 and 3 of this chapter upon written request by the**
 7 **hospital only if:**
 8 **(1) the closure or an elimination of a service line described in**
 9 **section 2 of this chapter is necessary due to a natural**
 10 **disaster, catastrophic facility failure, or other emergency**
 11 **event beyond the hospital's control; or**
 12 **(2) the state department determines that the waiver is**
 13 **necessary to protect the public's health and safety, including**
 14 **the loss of practitioners necessary to provide the service line.**
 15 **(b) The state department shall in a reasonable time period post**
 16 **on the state department's website any waiver granted under this**
 17 **section and the justification for the waiver.**
 18 **Sec. 5. A hospital that violates this chapter may be subject to**
 19 **a civil penalty not to exceed ten thousand dollars (\$10,000).**

M
a
r
k
u
p

ES 225—LS 6563/DI 104



DOCUMENT HAS NOT BEEN CHECKED FOR ACCURACY