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SENATE BILL No. 275

Proposed Changes to introduced printing by AM027502

DIGEST OF PROPOSED AMENDMENT

Prekindergarten and child care. Requires the office of the secretary of family and social services (office) to apply to the United States Department of Health and Human Services to amend the state plan for the federal Child Care and Development Fund (CCDF) voucher program to increase the maximum initial eligibility limit for purposes of initial eligibility to 150% of the federal poverty level. Requires the office to fully fund: (1) each eligible applicant for a CCDF voucher payment; and (2) eligible CCDF provider reimbursement rates at a specified rate. Provides that the office may not place an eligible CCDF applicant on a waiting list. Provides that an eligible child for the prekindergarten program is an individual who, among other conditions, is a member of a household with an annual income that does not exceed 150% of the federal poverty level (instead of 135% for individuals enrolled on or after May 1, 2025, under current law). Removes the limitation on state money that may be used for a prekindergarten voucher during a state fiscal year. Requires the office of family and social services to establish reimbursement rates for prekindergarten providers that are equal to or greater than the rates established that were in effect on January 1, 2025. Makes an appropriation to the prekindergarten program fund.

A BILL FOR AN ACT to amend the Indiana Code concerning human services and to make an appropriation.

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

1 SECTION 1. IC 12-11-2.1-3, AS AMENDED BY P.L.99-2007,
2 SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2026]: Sec. 3. (a) All services provided to an individual must
4 be provided under the individual service plan of the individual with a
5 disability. To the extent that services described in IC 12-11-1.1-1(e) are
6 available and meet the individual's needs, services provided to an
7 individual shall be provided in the least restrictive environment
8 possible.

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(b) Pursuant to the applicable home and community based services waiver, a request to increase service units on an individual's approved service plan must be submitted to the bureau for review and approval or denial not later than forty-five (45) calendar days from the first day of the qualifying event, as prescribed by the bureau.

[SECTION 2. IC 12-14-31-6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 6. Not later than April 1, 2026, the office of the secretary shall apply to the United States Department of Health and Human Services to amend the state plan for the federal Child Care and Development Fund voucher program to increase the maximum initial eligibility limit for purposes of initial eligibility to one hundred fifty percent (150%) of the federal poverty level.**

SECTION 3. IC 12-14-31-7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 7. (a) Beginning April 1, 2026, the office of the secretary shall fully fund:**

- (1) each applicant eligible for a CCDF voucher payment; and**
- (2) eligible CCDF provider reimbursement rates in an amount equal to or greater than the reimbursement rates established by the office of the secretary for CCDF providers that were in effect on January 1, 2025.**

(b) The office of the secretary may not place an applicant eligible for a CCDF voucher payment on a waiting list.

] SECTION ~~4~~[4]. IC 12-15-2-3.5, AS AMENDED BY P.L.210-2015, SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2027]: Sec. 3.5. An individual:

(1) who is:

- (A) at least sixty-five (65) years of age; or
- (B) disabled, as determined by the Supplemental Security Income program; and

(2) whose income and resources do not exceed those levels established by the Supplemental Security Income program; is eligible to receive Medicaid assistance. ~~if the individual's family income does not exceed one hundred percent (100%) of the federal income poverty level for the same size family; using income counting standards and criteria established by the federal Social Security Administration.~~

SECTION ~~5~~[5]. IC 12-15-2-26, AS ADDED BY P.L.278-2013, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



JULY 1, 2027]: Sec. 26. (a) This section applies beginning the later of the following:

(1) The date that the office is informed that the United States Department of Health and Human Services has approved Indiana's conversion to 1634 status within the Medicaid program.

(2) January 1, 2014.

(b) As used in this section, "qualified Medicare beneficiary" means an individual defined in 42 U.S.C. 1396d(p)(1).

(c) As used in this section, "qualifying individual" refers to an individual described in 42 U.S.C. 1396a(a)(10)(E)(iv).

(d) As used in this section, "specified low-income Medicare beneficiary" refers to an individual described in 42 U.S.C. 1396a(a)(10)(E)(iii).

(e) The following individuals are eligible for the specified coverage under this section:

(1) A qualified Medicare beneficiary whose:

(A) income does not exceed one hundred ~~forty~~ percent ~~(150%)~~ **(100%)** of the federal income poverty level; and

(B) resources do not exceed the resource limits established by the office;

is eligible for Medicare Part A and Medicare Part B premiums, coinsurance, and deductibles.

(2) A specified low-income Medicare beneficiary whose:

(A) income does not exceed one hundred ~~seventy~~ **twenty** percent ~~(170%)~~ **(120%)** of the federal income poverty level; and

(B) resources do not exceed the resource limits set by the office;

is eligible for coverage of Medicare Part B premiums.

(3) A qualifying individual whose:

(A) income does not exceed one hundred ~~eighty-five~~ **thirty-five** percent ~~(185%)~~ **(135%)** of the federal income poverty level; and

(B) resources do not exceed the resource limits set by the office;

is eligible for coverage of Medicare Part B premiums.

(f) The office may adopt rules under IC 4-22-2 to implement this section.

SECTION ~~4~~ **[6]**. IC 12-15-14-8, AS AMENDED BY P.L.241-2023, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) The office



may implement an end of therapy reclassification methodology in the RUG-IV, 48-Group model or its successor for payment of nursing facility services.

(b) Before the office changes a health facility service reimbursement that results in a reduction in reimbursement, the office shall provide public notice of at least ~~one (1) year~~; **six (6) months**. The public notice under this subsection:

(1) is not a rulemaking action or part of the administrative rulemaking process under IC 4-22; and

(2) must include the fiscal impact of the proposed reimbursement change.

SECTION ~~5~~ **[7]**. IC 12-15-34-14.5 IS REPEALED [EFFECTIVE UPON PASSAGE]. ~~Sec. 14.5: (a) This section is effective beginning July 1, 2017.~~

~~(b) The office of the secretary may not reduce reimbursement for home health services.~~

~~(c) 405 IAC 1-4.2-4(f) and any successor rule concerning reducing home health services reimbursement are void and may not be renewed or otherwise implemented.~~

SECTION ~~6~~ **[8. IC 12-17.2-7.2-1, AS AMENDED BY P.L.213-2025, SECTION 121, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:** Sec. 1. As used in this chapter, "eligible child" refers to an individual who:

~~(1) in the case of an individual who is enrolled before May 1, 2025:~~

~~(A) (1) is at least four (4) years of age and less than five (5) years of age on August 1 of the state fiscal year for which a grant is sought under the prekindergarten program;~~

~~(B) (2) is a resident of Indiana or otherwise has legal settlement in Indiana, as determined under IC 20-26-11;~~

~~(C) (3) is a member of a household with an annual income that does not exceed one hundred fifty percent (150%) of the federal poverty level;~~

~~(D) (4) receives qualified early education services from an eligible provider, as determined by the office;~~

~~(E) (5) has a parent or guardian who participates in a parental engagement and involvement component provided by the eligible provider;~~

~~(F) (6) has a parent or guardian who agrees to ensure that the child meets the attendance requirements determined by the office; and~~

~~(G) (7) meets the requirements under section 7.2(a) and~~



7.2(c) of this chapter. and
(2) in the case of an individual who is enrolled on or after May
1, 2025:

(A) is at least four (4) years of age and less than five (5)
years of age on August 1 of the state fiscal year for which a
grant is sought under the prekindergarten program;

(B) is a resident of Indiana or otherwise has legal settlement
in Indiana, as determined under IC 20-26-11;

(C) is a member of a household with an annual income that
does not exceed one hundred thirty-five percent (135%) of
the federal poverty level;

(D) receives qualified early education services from an
eligible provider, as determined by the office;

(E) has a parent or guardian who participates in a parental
engagement and involvement component provided by the
eligible provider;

(F) has a parent or guardian who agrees to ensure that the
child meets the attendance requirements determined by the
office; and

(G) meets the requirements under section 7.2(a) and 7.2(c)
of this chapter.

SECTION 9. IC 12-17.2-7.2-7.2, AS AMENDED BY THE
TECHNICAL CORRECTIONS BILL OF THE 2026 GENERAL
ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
UPON PASSAGE]: Sec. 7.2. (a) For an eligible child to qualify for a
prekindergarten voucher under this chapter, the eligible child must
reside with a parent or guardian who is:

(1) working or attending a job training or an educational
program; or

(2) actively seeking employment, subject to the approval by
the United States Department of Health and Human Services
as provided in 45 CFR 98.21.

(b) For a limited eligibility child to qualify for a prekindergarten
voucher under this chapter, the limited eligibility child must reside with
a parent or guardian who:

(1) is working or attending a job training or an educational
program; or

or

(2) receives Social Security Disability Insurance, Supplemental
Security Income benefits, or disability benefits from the United
States Department of Veterans Affairs; or

(3) is actively seeking employment, subject to the approval



by the United States Department of Health and Human Services as provided in 45 CFR 98.21.

(c) Before the office may provide a prekindergarten voucher to an eligible child, a limited eligibility child, or a child of a child care employee under this chapter, the office shall require that a parent or guardian of the child agree to the following:

(1) The child will attend the prekindergarten program of an eligible provider selected by the parent or guardian for the full duration of the prekindergarten program year.

(2) The parent or guardian will not transfer to another prekindergarten program during the prekindergarten program year.

(3) The child will attend the prekindergarten program at least eighty-five percent (85%) of the days that the prekindergarten program is provided.

(4) The parent or guardian will allow the child to participate in an external evaluation conducted by researchers, including the kindergarten readiness assessment and measuring of developmental and academic progress.

(5) The parent or guardian will participate in family engagement and involvement activities offered by the selected prekindergarten program, including meetings with the child's teacher to discuss the child's progress or any other conference concerning the child that is requested by the eligible provider.

(6) The parent or guardian will complete the necessary forms for the child to receive a student test number from the department of education.

(7) The parent or guardian will send the child to kindergarten.

(8) The parent or guardian will read to the child each week.

(9) Any other condition the office determines is appropriate.

(d) Priority shall be given to a child of a child care employee under this section.

(e) Priority may be given to an eligible or limited eligibility child under this section if a parent or guardian of the eligible or limited eligibility child is:

(1) involved in activities that improve the parent's or guardian's education; or

(2) involved in job training.

SECTION 10. IC 12-17.2-7.2-8, AS AMENDED BY P.L.92-2024, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) The office shall determine:

(1) which applicants shall be provided a:

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1 (A) prekindergarten voucher under this chapter; or
2 (B) grant under section 7.4 of this chapter; and
3 (2) subject to subsection (b) and to the availability of funding,
4 the amount of each prekindergarten voucher or grant.
5 (b) At least five percent (5%) but not more than fifty percent
6 (50%) of the:
7 (1) tuition for eligible or limited eligibility children under the
8 prekindergarten program; or
9 (2) expansion plan described in section 7.4(a) of this chapter;
10 during the state fiscal year must be paid from donations, gifts, grants,
11 bequests, and other funds received from a private entity or person, from
12 the United States government, or from other sources (excluding funds
13 from a prekindergarten voucher or grant provided under this chapter
14 and excluding other state funding). The office may receive and
15 administer grants on behalf of the prekindergarten program. The grants
16 shall be distributed by the office to fulfill the requirements of this
17 subsection.
18 ~~(c) The amount of a prekindergarten voucher provided under the~~
19 ~~prekindergarten program to an eligible child; a limited eligibility child;~~
20 ~~or a child of a child care employee:~~
21 ~~(1) who attends a prekindergarten program full time must equal~~
22 ~~at least two thousand five hundred dollars (\$2,500) during the~~
23 ~~state fiscal year; and~~
24 ~~(2) may not exceed six thousand eight hundred dollars (\$6,800)~~
25 ~~from state money provided under this chapter during the state~~
26 ~~fiscal year.~~
27 SECTION 11. IC 12-17.2-7.2-8.3 IS ADDED TO THE INDIANA
28 CODE AS A NEW SECTION TO READ AS FOLLOWS
29 [EFFECTIVE UPON PASSAGE]: Sec. 8.3. The office may not set a
30 cap on the number of prekindergarten vouchers available to
31 eligible children or limited eligibility children of less than seven
32 thousand five-hundred (7,500) per state fiscal year.
33 SECTION 12. IC 12-17.2-7.2-15 IS ADDED TO THE INDIANA
34 CODE AS A NEW SECTION TO READ AS FOLLOWS
35 [EFFECTIVE UPON PASSAGE]: Sec. 15. The office shall establish
36 reimbursement rates for prekindergarten program providers in an
37 amount equal to or greater than the reimbursement rates
38 established by the office for prekindergarten providers that were
39 in effect on January 1, 2025.
40 SECTION 13]. IC 29-1-14-1, AS AMENDED BY P.L.99-2024,
41 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
42 JULY 1, 2026]: Sec. 1. (a) Except as provided in IC 29-1-7-7, all



claims against a decedent's estate, other than expenses of administration and claims of the United States, the state, or a subdivision of the state, whether due or to become due, absolute or contingent, liquidated or unliquidated, founded on contract or otherwise, shall be forever barred against the estate, the personal representative, the heirs, devisees, and legatees of the decedent, unless filed with the court in which such estate is being administered within:

(1) three (3) months after the date of the first published notice to creditors; or

(2) three (3) months after the court has revoked probate of a will, in accordance with IC 29-1-7-21, if the claimant was named as a beneficiary in that revoked will;

whichever is later.

(b) No claim shall be allowed which was barred by any statute of limitations at the time of decedent's death.

(c) No claim shall be barred by the statute of limitations which was not barred at the time of the decedent's death, if the claim shall be filed within:

(1) three (3) months after the date of the first published notice to creditors; or

(2) three (3) months after the court has revoked probate of a will, in accordance with IC 29-1-7-21, if the claimant was named as a beneficiary in that revoked will;

whichever is later.

(d) All claims barrable under subsection (a) shall be barred if not filed within nine (9) months after the death of the decedent.

(e) Nothing in this section shall affect or prevent any action or proceeding to enforce any mortgage, pledge, or other lien upon property of the estate.

(f) Nothing in this section shall affect or prevent the enforcement of a claim for injury to person or damage to property arising out of negligence against the estate of a deceased tortfeasor within the period of the statute of limitations provided for the tort action. A tort claim against the estate of the tortfeasor may be opened or reopened and suit filed against the special representative of the estate within the period of the statute of limitations of the tort. Any recovery against the tortfeasor's estate shall not affect any interest in the assets of the estate unless the suit was filed within the time allowed for filing claims against the estate. The rules of pleading and procedure in such cases shall be the same as apply in ordinary civil actions.

~~(g) A claim by the unit against a decedent's estate is forever barred unless:~~



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(1) the unit files a claim in the court in which the decedent's estate is being administered; or

(2) the unit opens an estate for the decedent and files a claim against the decedent in the estate;

not later than one hundred twenty (120) days after the date of death of the decedent.

[SECTION 14. [EFFECTIVE UPON PASSAGE] (a) There is continuously appropriated to the prekindergarten program fund established by IC 12-17.2-7.2-13.5 from the state general fund for the state fiscal year beginning after:

(1) June 30, 2026, and ending before July 1, 2027; and

(2) June 30, 2027, and ending before July 1, 2028;

an amount sufficient to carry out the purposes of the prekindergarten program fund.

(b) This SECTION expires July 1, 2028.

SECTION 15. [EFFECTIVE UPON PASSAGE] (a) There is continuously appropriated to the office of the secretary of family and social services from the state general fund for the state fiscal year beginning after:

(1) June 30, 2026, and ending before July 1, 2027; and

(2) June 30, 2027, and ending before July 1, 2028;

an amount sufficient to carry out the requirements under IC 12-14-31-6 and IC 12-14-31-7.

(b) This SECTION expires July 1, 2028.

1 SECTION ~~15~~ [16]. An emergency is declared for this act.

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