



LEGISLATIVE UPDATE 124th GENERAL ASSEMBLY

FRIDAY, JANUARY 31, 2025

 **Week Four Overview**

Both Chambers of the Indiana General Assembly convened for session on Monday, Tuesday, and Thursday, this week. As mentioned last week, the Committee Report deadline in both the House and Senate is Monday, February 17. In anticipation for the upcoming committee report deadlines, the General Assembly continued with another busy week of committee hearings. Please see highlights from the week below.

 **Committees**

Health

The Health and Insurance committees heard several bills this week. The House Insurance Committee met for the first time since session began, and started with a large priority bill, HB 1003, Health Matters, introduced by Rep. Brad Barrett (R - Richmond). The bill does several things. If passed, Rep. Barrett contends it would; lower costs, prevent Medicaid fraud, increase transparency, expand access to providers, codify the right to try for patients, and institute fair billing practices. Supporters of the bill included business associations and the Braun administration, both of which maintained that the bill would lower costs for employers and patients. However, there were several testimonies that opposed the bill. The Good Samaritan Hospital in Vincennes, Indiana testified that the bill would force hospitals to sell medications at a loss and increase financial hardship for independent hospitals like Good Samaritan. The Indiana Hospital Association testified that they believe the federal government should handle the 340B program, and that the bill in its current state would present a financial hardship to Indiana hospitals if passed. Other stakeholders were neutral on the bill, including but not limited to the Indiana Chamber of Commerce and Hoosiers for Medical Liberty, stating the need for more information on the contracting process before they can fully support the bill. The Chair of the Committee, Rep. Martin Carbaugh (R - Fort Wayne), agreed and held the bill for further amendments.

The House Public Health Committee also had a busy week, hearing a Governor Braun Administration's priority bill, HB 1004, Nonprofit Hospitals authored by Rep. Carbaugh. Under this expansive bill, there is a policy that says a nonprofit a hospital must charge less than 200% of the Medicare reimbursement fee for services. Additionally, the bill has a narrower definition of community benefits. Secretary of Health and Family Services, Dr. Gloria Sachdev, testified that the bill would ensure that nonprofit hospitals utilize the funds gained from their tax-exempt status on charity care. The Indiana Hospital Association voiced opposition to the initiative at the hearing, expressing that the bill is too strict in its requirements and will increase the financial strain on hospitals, which in turn would reduce access to care and only financially benefit the insurance industry. Other hospitals, including Baptist Health (Floyd), joined the IHA in expressing concerns about the bill. Ultimately, Chairman Rep. Barrett held the bill for further discussion and amendment.

The Senate Health and Provider Services Committee had a packed week, hearing six bills. One bill, SB 3, Fiduciary Duty in Health Plan Administration, introduced by Rep. Justin Busch (R - Fort Wayne) would assign a fiduciary duty to those administering health plans, allowing employers to trust that they are working in the best interests of the patients. During the hearing, Sen. Busch offered two amendments, both adopted by consent. The first amendment exempted flat fees from the bill, and the second defined fiduciary duty. This is a priority bill for Governor Braun and supported by Hoosiers Affordable Healthcare and Employee Forum of Indiana. The Indiana Association of Health Plan testified that the bill may have unintended consequences by raising rates as it would limit the commercial health plans' ability to negotiate. The bill passed committee, as amended, 11 to 0.

The Committee also heard SB 505, Emergency Transport to Appropriate Facility, authored by Sen. Deery (R - West Lafayette). This bill would allow for Emergency Medical Services (EMS) to transport patients to facilities other than emergency rooms and receive transportation reimbursement. Amendment Two, taken by consent during the committee, changes the definition of mental health clinics to only include Certified Community Behavioral Health Clinics (CCBHC's) instead of state institutions. Numerous EMS organizations, including the Indiana Emergency Medical Services Association, testified in favor of the bill, stating that mental crisis transports are already occurring after a preliminary Emergency Room visit. The bill passed committee, as amended, 12 to 0.

Next on the Committee's agenda was another expansive bill, Sen. Liz Brown's (R - Fort Wayne) SB 473, Various Health Care Matters. To start, the bill was amended by consent to remove references to the dental compact. Primarily, this bill would align state law with federal regulation and would streamline services for the Center of Deaf and Hard of Hearing, while also updating language referring to certified nursing assistants and qualified medical aides. While many organizations expressed support for the bill,

including Anesthesia Consulting and Clinical Specialist, the Indiana Health Care Association, the Indiana Profession Licensing Agency, and Indiana Department of Health (IDOH) expressed some concerns over the new requirements within the bill. While Committee Chair, Sen. Ed Charbonneau (R – Valparaiso), expressed concerns about the bill's current language, he stated he does not want to hold the bill as it must be recommitted to Appropriations. The bill passed committee, as amended, 12-0 and was recommitted to Appropriations with the promise of further amendments. Changing themes, the Senate Health Committee also heard SB 463, Child Care Matters, introduced by Chairman Rep. Charbonneau (R- Valparaiso). This bill seeks to address the current childcare shortage within the state by extending the current employer childcare expenditure through July 1, 2027, and expanding it to apply to additional childcare expenses. The Indiana Chamber of Commerce, Indiana Association for the Education of Young Children, and the Indiana Association of YMCAs were among the organizations that testified in favor of the bill. The bill was passed in committee, 11 to 1.

Education

The Senate Committee on Education and Career development met once this week. SB 249, Teacher Compensation by Sen. Deery (R – West Lafayette), would amend provisions to allow school corporations to provide a supplemental payment to teachers in excesses of the salary in a school's compensation plan. The bill is intended to attract and retain teachers to the state of Indiana. The bill was held for further action.

In the interest of raising the performance outcomes of students, SB 365, Education Matters by Jeff Raatz (R – Richmond) requires the Department of Education, Management Performance Hub (MPH), and the Commission for Higher Education (CHE) to collect data regarding career and technical education initiatives. The bill also establishes additional requirements and restrictions on those organizations eligible for a career coaching grant. Supporters of the bill applauded the emphasis on increasing career coaching, which could further guide students in education to find their career path. The bill was held for further action.

A measure to promote transparency and accountability in charter schools led to SB 403, Charter School Requirements authored by Sen. Greg Taylor (D – Indianapolis). This bill would require that requirements for access to financial data for local school would also apply to charter schools. Supporters of the bill praised the increased transparency the bill would provide for parents, and the increased accountability for schools receiving state tuition dollars. The bill was held for further action.

The House Committee on Education also met once this week. HB 1498, School Accountability authored by Rep. Bob Behning (R – Indianapolis) would require the State Board of Education to establish a new methodology for designating school performance. The bill proposes new grade bands to track student performance. Grade 3 would be

tracked through student attendance and chronic absenteeism, grades 4-8 would use prior learning assessment (PLA) efficiency in math, and grades 9-10 would be assessed on the number of credits needed for graduation. The bill passed committee, 11 to 0, as amended and was sent to the House floor.

In addressing the state's math shortfalls, HB 1634, Math Education by Rep. Jake Teshka (R – South Bend) works to address gaps in K-12 schools. The bill is looking to continue off the success the state has seen in student reading improvements. Indiana has improved to 6th in the nation, up 12 spots from just a few years ago, in reading proficiency among its students. However, Indiana has fallen behind in math proficiency since 2022, and HB 1634 hopes to reverse the trend. The bill would require school corporations, including charters, to auto enroll middle school students who meet certain conditions into advanced middle school courses. The bill would allow parents to opt out of this if they feel their students will not excel in the advanced classes. The bill would also establish requirements regarding mathematical screenings, evaluations, and interventions. The bill was held for further action.

Fiscal

During the Senate Tax and Fiscal Policy Committee, multiple priority bills were heard. The first of which was SB 6, Property Tax Deferral Program, authored by Sen. Linda Rogers (R – Granger). SB 6 would authorize a county fiscal body to establish an optional property tax deferral program. Sen. Rogers stated that the intent of the bill is to help keep people in their homes. If a deferral program is implemented, qualifying individuals would be allowed to have their property taxes deferred for 180 days. After 180 days, the county may implement an interest rate of up to 4%. An individual would be allowed to defer between \$100-500 a year, and up to \$10,000 total. SB 6 was held for further action.

SB 8, School Levy Referenda, was introduced by Sen. Brian Buchanan (R – Lebanon). This bill would originally authorize school corporations to impose property taxes to pay debt services, operate a referendum tax levy, and would require such a referendum to take place during a primary election within a general election year or during a general election. The Senate Tax and Fiscal Policy Committee passed an amendment by consent during the committee that changed when such a referendum may occur to only general elections. This bill is currently being held for further action.

During a budget hearing in the House Ways and Means Committee this week, the newly appointed secretary of Family and Social Services (FSSA), Mitch Roob presented the department's desired budget of a total of \$24.1 billion with \$16.8 billion being from the federal budget. Within the next year, Applied Behavioral Analysis (ABA) therapy is expected to take up \$7 million of the Department's allotted \$24.1 billion budget as Sec. Roob vowed the program would not be phased out. The department is also expecting a \$7 million decrease in revenue due to new eligibility requirements. Medicaid funding is also expected to double within the next year for Associate Clinical Mental Health Counselors (ACMHCs).

Public Policy

The House Public Policy Committee met once this week to discuss changes to gaming legislation. HB 1433, Various Gaming Matters authored by Rep. Ethan Manning (R – Logansport) was discussed in Committee. HB 1433 would allow the use of electronic pull tab games in charity gaming. A large group of veteran organizations showed up in support of the bill, as pull-tab games would be an additional way of raising funds for veteran programs. The bill passed as amended 13-0.

Another bill discussed was HB 1432, Various Gaming Matters by Rep. Manning. The bill would authorize the Lottery Commission to operate the sale of draw games and e-Instant games on the Internet. Amendment #25 was introduced during committee, which would fund alcohol server training programs. Such programs would be licensed to sell alcohol and offer type II gaming; Type II gaming includes bingo and non-banked card games. Amendment #32 was also introduced and sets certain conditions for the transfer of surplus revenue to the Pension Stabilization Fund, supplemental allowance reserve accounts, and the Pension Relief Fund. Amendment #33 was brought up next, which creates the Digital Retail Incentive Program Fund to provide retailers with incentives and promotions to sell more product. Finally, Amendment #34 covers various gaming matters, such as allowing tribal casinos to begin iGaming and child support interception. It would apply universally and would allow for iGaming upon passage. Amendments #25, #32, #33, #34 were all adopted by consent. The bill passed committee as amended and was reassigned to House Ways and Means.

Public Safety

The House Veteran Affairs and Public Safety Committee met to discuss HB 1454, Emergency Ambulance Services by Rep. Timothy O'Brien (R – Evansville). This bill would specify that EMS, including emergency ambulance services, are essential services in Indiana, thus allowing for counties to contract with public, private, or nonprofit emergency ambulance to identify underserved areas to ensure coverage. The bill was passed in committee, 10-0 and recommitted to House Ways and Means due to its fiscal.

Another point of interest for the Committee was HB 1637, School and Public Safety Matters by Rep. Steve Bartels (R – Eckerty). HB 1637 would establish the Office of School Safety within the Department of Homeland Security to bolster security protocol and implement safety resources. The bill was held for further action.



Points of Interest

On Wednesday afternoon Chief Justice Loretta Rush presented the annual State of the Judiciary. Chief Justice Loretta Rush declared Indiana's courts remain "sound, steady and strong." In 2024, Indiana saw more cases filed in the state's trial courts than in all federal courts in the country combined. With more transparency, Indiana's court record was accessed more than 71 million times last year, displaying the immense efforts to provide efficient and indifferent judicial rulings.

Governor Braun also delivered his first State of the State Address on Wednesday evening. The Governor went into detail regarding his plan to increase government efficiency, lower taxes, and improve education. More details and the full summary can be found on the last page of the newsletter.



Session Floor Highlights

Senate Floor

Session is ramping up, and several notable bills passed the third reading this week. Reminder, after bills pass third reading, they are sent to the other chamber for consideration. These bills and their final votes are listed below.

- SB 5 State Fiscal and Contracting Matters by Sen Scott Baldwin (R – Noblesville), passed 49 to 0.
 - This is a priority bill and would make many changes to the preparation and implementation of the state's budget.
- SB 111 Coverage for living organ donors by Sen. Charbonneau (R – Valparaiso), passed 42 to 3.
 - This bill prohibits insurance companies from treating individuals differently due to their status as a living organ donor.
- SB 74 Extension of Lifeline Law Immunity, Sen. Ron Alting (R – Lafayette), passed 43 to 6.
 - Grants people helping an individual suffering from an alcohol related health condition immunity from the prosecution of certain crimes.
- SB 142 Eviction Issues, Sen. Brown (R – Fort Wayne), passed 49 to 0.
 - Requires expungement without hearing for qualifying eviction cases.
- SB 255 Education Matters Sen. Deery (R – West Lafayette), passed 49 to 0.
 - Makes various changes;
- SB 373 Department of Education by Rep. Raatz (R – Richmond), passed 49 to 0.

- Allows summer school funds to be differentiated; structural changes to the Department of Education.
- SB 451 Income Tax Rate by Travis Holdman (R – Ossian), passed 49 to 0.
 - Provides a decrease in individual adjusted gross income tax rate in 2030.
- SB 452 Tax Incentive Review by Rep. Holdman (R- Ossian), passed 49 to 0.
 - Amends provisions that apply to the legislative services agency’s periodic tax incentive review.
- SB 462 Behavior Analysis by Rep. Charbonneau (R – Valparaiso), passed 49 to 0.
 - Reenacts an expired provision in the definition of “practitioner” as it relates to behavior analysts.
- SB 475 Physician Noncompete Agreements by Rep. Busch (R – Fort Wayne), passed 47 to 2.
 - Provides that starting July 1, 2025, a physician and an employer may not enter a noncompete agreement.

House Floor

Numerous bills passed 3rd readings on the house floor this week.

- HB 1200, Opioid prescriptions by Rep. Behning (R – Indianapolis), passed 87 to 0.
 - This bill would allow patients with epidural pain pumps to have a supply of up to 180 days.
- HB 1201 Education Matters by Rep. Behning (R- Indianapolis) passed 87 to 0.
 - Defines chronically absent and provides options for parents, prosecutors, and school administrators to establish best practices for student discipline to reduce absenteeism.
- HB 1507 Low Water Crossings authored by Rep. Lindsay Patterson (R – Brookville) passed 91 to 0.
 - Allows grants to local units to use for low water crossing projects.



Looking Ahead

The House of Representatives and Senate will reconvene on Monday, February 4th. Please use the live link sent in your weekly B&T legislative report email to keep up to date on your bills being heard in committee and on the floor.

Thank you for allowing us to work with you during the 2025 legislative session. Please feel free to contact a member of our legislative team should you have any questions, need full copies of bills or amendments, or have any questions on matter pending before the Indiana General Assembly.

Please feel free to contact a member of our legislative team should you have questions regarding the happenings in the Indiana General Assembly!

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State of the State Address

Last night, Governor Braun addressed Indiana's leaders, including members of the Indiana General Assembly, the state's Supreme Court Justices, and other officials at the Governor's first State of the State Address. The Governor highlighted key aspects of his agenda and laid out how the administration intends to accomplish its goals. Below is a brief review of the speech's highlights:

Efficiency:

- Governor Braun focused on improving the efficiency of the state government, and reducing waste, fraud, and abuse.
- The new administration structure streamlines communication and ensures good ideas reach the top.
- Agency leaders were instructed to reduce expenditures by 25% and identify opportunities for efficiency.
- DEI (Diversity, Equity, and Inclusion) will be replaced by MEI (Merit, Excellence, and Innovation).

Education:

- Indiana ranks 6th in the nation for literacy.
- Governor Braun promised to put parents in charge of their children's education and expand the school choice program to cover 100% of Hoosier families.
- Governor Braun pledged to take money out of the administration and put it into teachers' pocketbooks.
 - SB 146 raises teachers' pay by \$5000 and ensures that 65% of tuition goes back to teachers.

Public Safety:

- Hoosier law enforcement can expect an increase in police salaries and benefits to help recruitment and retention.
- There are plans to establish tougher penalties for fentanyl dealers, and a mandatory minimum bail for repeat offenders.

Immigration

- Indiana will not be a sanctuary state for immigrants.
- Governor Braun pledged to help President Trump secure America's southern border.

Healthcare:

- Indiana has some of the highest healthcare costs, and according to Governor Braun, not-so-great outcomes.
- The new administration strives to end surprise billing.
- Governor Braun will lower prices, improve access, and promote innovation. The administration has endorsed several bills to help accomplish this goal:
 - HB 1003 would increase transparency by revealing prices.
 - HB 1004 would ensure nonprofit hospitals act like nonprofits.
 - SB 3 would add a fiduciary responsibility to health plan managers.
 - Other bills which would restrict and regulate PBMs.

Taxes:

- The new administration will work to cut property taxes, create tax ceilings, and increase transparency.
- The Governor plans to reduce the income tax burden on Hoosier families.
- The state intends to give tax breaks to senior citizens living on fixed incomes.

Business Development:

- The Hoosier Workforce Investment Tax Credit incentives workers to invest in employee development and training.
- The new Office of Entrepreneurship and Innovation will focus on helping main street entrepreneurs.

For additional questions regarding the Governor's State of the State Address, please do not hesitate to contact a member of our Legislative Services team.