



Indiana Behavioral Health Legislative Update

February 7, 2025

Introduction to House Bill 1001 – State Budget and Its Impact on Mental Health

This week, Mental Health America of Indiana testified in House Ways and Means Committee on the Indiana State Budget Bill.

The Indiana state budget bill, House Bill 1001, is a crucial legislative measure that will significantly shape the landscape of mental health services in the state for the coming years. Mental Health America of Indiana recognizes the strides made in recent legislative sessions, particularly with the passage of Senate Bill 1 in 2023, which helped Indiana improve its mental health ranking to 26th in the nation. However, the current budget proposal largely flatlines funding for mental health services, creating concerns about sustaining and expanding vital community-based resources. Key requests from advocates, including \$13.2 million in funding to maintain essential crisis response phone lines for 988. Mental health advocates are asking for \$53M additional dollars in total for CCBHC expansion, crisis services, and 988.

Additionally, efforts to raise Indiana's alcohol tax, which has remained unchanged for 44 years, could provide a much-needed revenue source to address the state's growing substance use crisis.

Stephanie Anderson, Chief Operating Officer at Mental Health America of Indiana, emphasized the organization's long-standing advocacy for recovery services, highlighting the progress made under Senate Bill 1 in 2023. However, she raised concerns about the flatlining of mental health funding in the current budget proposal, stressing the need for sustained investment to maintain and expand essential services.

Lisa Hutcheson, VP of Prevention and Policy at Mental Health America of Indiana, focused on prevention and policy, underscored the urgent need to increase Indiana's alcohol tax, which has remained unchanged for 44 years. She presented data linking higher alcohol prices to reduced consumption and highlighted that 9.2% of Indiana's Medicaid population has a substance use disorder, reinforcing the need for increased funding to address addiction and prevention efforts.

As the legislative session progresses, MHAI will continue to advocate for a budget that prioritizes mental health funding to ensure Hoosiers receive the care and resources they need.

Bills Heard in the House	Bills Heard in the Senate
<p>House Bill 1276 – Various Alcoholic Beverage and Tobacco Matters (Manning)</p> <p>Synopsis: This bill modifies insurance coverage requirements for specific permit holders and extends alcohol sales hours at certain locations. It permits local government entities to allow alcohol sales in designated areas and increases the number of days small breweries, farm wineries, or artisan distilleries can participate in trade shows or expositions. The bill also introduces regulations regarding alcohol donations to qualified organizations and removes limitations on bulk alcohol sales. Additionally, it establishes new restrictions for tobacco certificate holders operating in locations associated with criminal activities.</p> <p>House Bill 1112 – Prior Authorization for Opioid Use Disorder Care (King)</p> <p>Synopsis: This bill prohibits utilization review entities from requiring prior authorization for medications used in the treatment of opioid use disorder.</p> <p>House Bill 1666 – Ownership of Health Care Providers (McGuire)</p> <p>Synopsis: This bill imposes new reporting requirements on hospitals, physician group practices, insurers, third-party administrators, and pharmacy benefit managers to disclose ownership information to relevant state agencies. The Indiana Department of Health is required to post this ownership information online. Additionally, healthcare entities involved in mergers or acquisitions must notify and receive approval from the Attorney General's office before proceeding.</p> <p>House Bill 1003 – Health Matters (Barrett)</p> <p>Synopsis: This bill includes numerous provisions related to healthcare fraud prevention, Medicaid services, reimbursement regulations, and healthcare pricing transparency.</p> <p>House Bill 1001 – State Budget (Thompson)</p> <p>Synopsis: This bill appropriates funds for state operations, including Medicaid and behavioral health services.</p> <p>House Bill 1592 – Services for the Aged and Disabled (Barrett)</p> <p>Synopsis: Allows Medicaid reimbursement for providers completing approved functional assessment training. Prohibits waitlists for assisted living services if waiver slots are available and requires the state to request additional slots when full. Mandates reimbursement for home and community-based services from the application date. Directs the state to seek federal approval for Medicaid waiver amendments related to functional eligibility and assisted living services. Repeals outdated reporting requirements on long-term care risk-based managed care.</p> <p>House Bill 1587 – Insurance Matters (Carbaugh)</p> <p>Synopsis: Expands reimbursement for emergency medical services to include mobile integrated healthcare programs. Allows managed care organizations and providers to negotiate payment rates for emergency and screening services. Exempts certain 501(c)(4) organizations from consumer data protection laws. Extends the deadline for the Indiana Public Employers' Plan to apply for a tax-exempt insurance certificate to 2030. Repeals the requirement for annual public health insurance forums. Revises the definition of "small employer" in group health insurance regulations. Allows legal custodians of minors to settle claims or real estate proceeds under specific conditions.</p>	<p>Senate Bill 242 – Payment for Medicaid Physician Services (Johnson)</p> <p>Synopsis: This bill mandates that Medicaid and managed care organizations must promptly cover physician services provided in a hospital emergency department by physicians with a provider agreement, without limiting what qualifies as an emergency medical condition. The bill ensures adherence to the "prudent layperson standard" and prohibits denial of emergency service claims solely based on claim codes. It also prevents unnecessary delays or denials in physician compensation unless explicitly outlined in existing Medicaid laws or provider agreements.</p> <p>Senate Bill 138 – Sale of Low THC Products to Minors (Bohacek)</p> <p>Synopsis: This bill criminalizes the sale of low-THC hemp extract products to individuals under 21 years of age. Violators face a Class B misdemeanor for a first offense, a Class A misdemeanor for repeat offenses, and a Level 6 felony if the use of the product results in serious bodily injury or death.</p>

For the full list of priority bills we are tracking, please visit this [link](#).