

IHCP *bulletin*

INDIANA HEALTH COVERAGE PROGRAMS BT201335 JULY 9, 2013



Prospective IHCP transportation providers must obtain a surety bond

As announced in *Indiana Health Coverage Programs (IHCP) Bulletin* [BT201315](#), effective July 1, 2013, the IHCP will require a surety bond from entities submitting an application to enroll as a common carrier (for-profit ambulatory or nonambulatory) and/or a taxi transportation provider. The surety bond must be in the amount of at least \$50,000 and last a minimum duration of three years.

A copy of the bond must be included with the IHCP provider enrollment application in any of the following situations:

- Newly enrolling transportation provider
- Change of ownership of a currently enrolled transportation provider
- Purchase or transfer of assets of a currently enrolled transportation provider

Exceptions

This requirement does not apply to a transportation provider that meets one of the following exceptions:

- A 501(c)(3) organization
- Owned or controlled by a person that is licensed or certified by the Indiana Professional Licensing Agency (IPLA)
- Owned or controlled by a pharmacy with a permit issued by the Indiana Board of Pharmacy
- Owned or controlled by a hospital licensed by the Indiana State Department of Health (ISDH)
- Granted a waiver of the requirement at the discretion of the Secretary of Family and Social Services Administration (FSSA):
 - If transportation services are to be provided in a federal or state designated underserved area
 - If it has been determined the provider does not pose a significant risk of submitting fraudulent or false Medicaid claims

Providers seeking a waiver of the surety bond requirement must submit a written request with their provider enrollment packet. The letter must specify why the request is being made and how the enrolling provider believes they qualify for the waiver. The final decision whether to waive the requirement will be made by the FSSA.

Note: If a waiver is requested, the provider's application will not be processed until a decision is made to grant or deny the waiver.

If the waiver is not granted, the provider has 30 days from the date on the notice of rejection to submit the required bond.

How to Obtain

The required surety bond can be obtained by contacting a licensed insurance broker who will find a company to underwrite the bond. It is important that the broker be given the specific surety bond requirements to ensure that the bond is compliant with the new regulation. The attached document outlines the Surety Bond Requirements and can be copied for reference by the insurance broker.

QUESTIONS?

If you have questions about this publication, please contact Customer Assistance at (317) 655-3240 in the Indianapolis local area or toll-free at 1-800-577-1278.

COPIES OF THIS PUBLICATION

If you need additional copies of this publication, please [download them](#) from indianamedicaid.com. To receive email notices of future IHCP publications, [subscribe](#) to IHCP Email Notifications.

TO PRINT

A [printer-friendly version](#) of this publication, in black and white and without graphics, is available for your convenience.

Indiana Medicaid Surety Bond Requirements



For transportation providers that must have a surety bond to enroll in the Indiana Medicaid program, as specified in *Indiana Code 12-15-11-2.5*, the bond must meet the following requirements:

- The surety bond must be continuously in effect for at least three years after the provider enrollment application is made.
- The surety bond must provide coverage for liability of at least \$50,000.
- The surety bond must name the:
 - Transportation provider as the principal
 - Office (Office of Medicaid Policy and Planning) as the obligee
 - Person that issues the surety bond, including the person's heirs, executors, administrators, successors, and assignees, jointly and severally, as surety
- The surety bond must provide the surety's name, street address or post office box number, city, state, and ZIP Code.
- The surety bond must provide that the surety is liable under the surety bond for a duplicate, erroneous, or false Medicaid claim paid by the Office or its fiscal agent to the transportation provider during the term of the surety bond.
- The surety bond must provide that the bond may not be void on a first recovery, but that suits may be instituted until the penalty is exhausted.
- The surety bond must guarantee that the surety will, no later than 30 days after the surety receives written notice from the Office containing sufficient evidence to establish the surety's liability under the surety bond as described in subdivision (5), pay to the Office the following amounts, not to exceed the full amount of the surety bond:
 - The amount of the duplicate, erroneous, or false claim that was previously paid by the Office or its fiscal agent to the transportation provider, plus accrued interest
 - An assessment imposed under *IC 12-15-22* by the Office on the transportation provider
- The surety bond must provide that if the transportation provider's provider agreement is not renewed or is terminated, the surety bond submitted by the transportation provider remains in effect until the last day of the surety bond coverage period and the surety remains liable for a duplicate, erroneous, or false claim paid by the Office or its fiscal agent to the transportation provider during the term of the surety bond.
- The surety bond must provide that actions under the surety bond may be brought by the Office or by the Office of the Indiana Attorney General.