

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 6531

BILL NUMBER: HB 1079

NOTE PREPARED: Mar 11, 2021

BILL AMENDED: Mar 11, 2021

SUBJECT: Practice of Dentistry; Virtual Claim Payments.

FIRST AUTHOR: Rep. Zent

FIRST SPONSOR: Sen. Charbonneau

BILL STATUS: CR Adopted - 2nd House

FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) *Definitions* - The bill amends the definition of dentistry.

Immunizations - The bill provides that a dentist may order and administer an immunization that is recommended by the federal Centers for Disease Control and Prevention Advisory Committee on Immunization Practices for individuals who are not less than eleven years of age, if the dentist:

- (1) is certified in cardiopulmonary resuscitation;
- (2) has successfully completed a course of training in immunization that meets specified requirements; and
- (3) administers the immunization in accordance with a protocol that includes specified requirements and procedures.

The bill prescribes reporting requirements for a dentist who administers an immunization. It provides that a dentist: (1) is not required to administer immunizations; and (2) is not required to complete immunization training if the dentist chooses not to administer immunizations.

Health Plans - The bill provides that a health insurance plan, including a health management organization contract, may not require a dental provider to accept payment under the health insurance plan by virtual claim payment. The bill requires a health insurer, including a health maintenance organization, to do the following before providing payment to a dental provider by electronic funds transfer, including by virtual claim payment:

- (1) Notify the dental provider of fees associated with the electronic funds transfer.
- (2) Advise, concerning virtual claim payments, the dental provider of the methods of payment available under the health insurance plan and provide clear instructions to the dental provider as to how to select an alternate payment method.

Effective Date: (Amended) Upon passage; July 1, 2021.

Explanation of State Expenditures: Summary - Board of Dentistry: The State Board of Dentistry and the Professional Licensing Agency (PLA) may experience an increase in workload to adopt rules and approve a course of training for immunizations as required by the bill. Additionally, violations of the bill's requirements by dentists administering immunizations would be subject to disciplinary action by the Board. These actions can likely be accomplished within the Board and PLA's existing appropriation levels and regularly scheduled meetings assuming near customary agency staffing and resource levels.

State Department of Health (ISDH): ISDH could experience a small increase in workload to facilitate required reporting by dentists to the Immunization Data Registry. This work is within ISDH's routine administrative functions and should be able to be implemented with no additional appropriations.

(Revised) *State Health Plans:* Authorizing dentists to administer immunizations may result in greater claims volume for immunizations within the state Medicaid plans, Children's Health Insurance Plan (CHIP), and State Employee Health Plan due to increased accessibility or convenience. Additionally, the bill's prohibition on health plans requiring dental providers to accept virtual claim payments could potentially impact claims processing within the State Employee Health Plans. Any increase in state General Fund or dedicated fund expenditures for immunizations and dental claims is indeterminable.

Department of Insurance (DOI): DOI could experience an increase in regulatory workload to enforce the bill's restrictions on health plans relating to virtual claims payments. Enforcing statutory requirements for health plans is within DOI's routine administrative functions and should be able to be implemented with no additional appropriations.

Additional Information -

(Revised) *COVID-19 Immunizations:* Demand for dentist-administered immunizations could be more pronounced in FY 2021 compared to future years if dentists are able to administer the COVID-19 vaccine. The initial supply COVID-19 vaccines are being purchased by the federal government and they are required by federal law to be provided at no cost to individual recipients. Health plans (including Indiana's Medicaid, CHIP, and State Employee Plans) may be responsible for reimbursing providers for vaccine administration fees. In future years, if federal purchasing of the vaccine is discontinued but demand for the vaccine persists, costs to state-funded health plans may increase further.

Medicaid and CHIP: Medicaid and CHIP are jointly funded between the state and federal governments. The standard state share of costs for most Medicaid medical services for FFY 2021 is 34%, or 10% for the age 19 to 64 expansion population within the Healthy Indiana Plan. The standard state share of CHIP costs is 24%. Under federal COVID-19 relief legislation, the state share of costs is decreased to 28% for traditional Medicaid enrollees and 20% for CHIP enrollees for the duration of the federally declared public health emergency.

State Employee Health Plans: Costs for the state health plans are shared between the state and state employees covered by the plan as determined in the plans' designs, including premiums, coinsurance, copayments, and deductibles. An increase in premiums cost may be mitigated with adjustments to other benefits or to employee compensation packages, or through the division of premium costs between the state and state employees.

Explanation of State Revenues: *Dentist Penalties* - If a violation of the bill's requirements for administering immunizations is committed by a dentist, the State Board of Dentistry may take an action that could impact state revenue. If the violator has a license denied or revoked, fee revenue would decrease to the General Fund. Dentist's license fees are \$100 biennially. The Board may also impose a fine of up to \$1,000, which would be deposited in the General Fund. Any increase in penalty revenue is likely to be minimal.

Health Plan Penalties - The bill specifies that a violation by a health plan of the bill's restrictions on virtual claims payments is considered an unfair or deceptive practice in the business of insurance. The penalty for engaging in an unfair and deceptive act is one or more of the following: (1) a civil penalty of either \$25,000 or \$50,000 for each act or violation and (2) revocation of an insurer's license or certificate of authority if they knowingly engaged in an unfair or deceptive act. Any increase in penalty revenue is likely to be minimal.

Insurance Premiums Tax - An increase in private insurance claims for immunizations may create upward pressure on premiums collected in the state. Any increase in insurance company premiums will increase General Fund revenue from either insurance premium tax collections or Adjusted Gross Income (AGI) tax collections. Any increase in premiums tax or AGI tax revenue is likely to be minimal.

Explanation of Local Expenditures: The bill potentially impacts local units of government that offer health insurance coverage for employees. Added local health coverage costs may be mitigated with adjustments to other benefits or to the total employee compensation packages, or through the division of costs between the local unit and employees.

Explanation of Local Revenues:

State Agencies Affected: Professional Licensing Agency, Board of Dentistry; State Department of Health; Family and Social Services Administration; State Personnel Department; Department of Insurance.

Local Agencies Affected: Local government units offering employee health plans.

Information Sources: IC 25-1-9-9; IC 27-4-1; Legislative Services Agency, *Indiana Handbook of Taxes, Revenues, and Appropriations*, FY 2020.

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