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FISCAL IMPACT STATEMENT

LS 7145
BILL NUMBER: HB 1169

NOTE PREPARED: Mar 10, 2022
BILL AMENDED: Mar 8, 2022

SUBJECT: Health Matters.

FIRST AUTHOR: Rep. Clere
FIRST SPONSOR: Sen. Crider

BILL STATUS: Enrolled

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill has the following provisions:

Advanced Practice Registered Nurse (APRN) And Physician Assistant (PA): The bill prohibits certain health insurance plans from requiring authorization for covered early intervention services under an individualized family service plan signed by an advanced practice registered nurse (APRN) or a physician assistant (PA). The bill authorizes an APRN to sign an order or referral for physical therapy. It requires a health insurance plan to provide coverage for diabetes self-management training ordered by an APRN or PA.

Division of Disability and Rehabilitative Services Advisory Council (Advisory Council): The bill changes the composition and duties of the Advisory Council.

Repeal and or Relocate: The bill repeals and relocates laws concerning:

- (1) rules regulating the sanitary operation of tattoo parlors and body piercing facilities;
- (2) allowing the executive board of the Indiana Department of Health (board) to adopt rules on behalf of the Indiana Department of Health (IDOH);
- (3) allowing the board to adopt emergency rules;
- (4) sanitation of public buildings and institutions; and
- (5) authority to adopt rules concerning the federal Clinical Laboratory Improvement Amendments.

The bill repeals laws concerning:

- (1) safety guidelines for children during bad weather conditions;
- (2) automated external defibrillator rules in health clubs;

- (3) requiring the State Health Commissioner (Commissioner) to comment on certain rules;
- (4) fees for serological tests;
- (5) the administrative unit for special institutions;
- (6) protection and regulation of IDOH property; and
- (7) the Registry of Blind Persons.

Removal of Local Health Officers: The bill removes intemperance as a reason to remove a local health officer.

IDOH Operations: The bill specifies that the IDOH may request the Office of Administrative Law Proceedings to designate a person to administer a proceeding. It requires the IDOH to provide facilities and disseminate information to the public concerning oral public health. It also allows the IDOH to have a designee to maintain a 24 hour poisons answering service. The bill adds information on prenatal care to the IDOH's telephone information service concerning children with long term health care needs.

Substance Abuse Disorder: It changes the reference from "illegal drug use" to "substance abuse disorder" for purposes of partnership and joint ventures with the IDOH.

Chief Medical Officer (CMO): The bill requires the IDOH to employ a licensed physician as the CMO, and it allows the CMO to perform the functions of the Commissioner when the Commissioner is not available.

State Health Laboratory: The bill specifies that the state health laboratory (laboratory) must be used to support public health. It changes the title of the person who manages the laboratory. The bill also removes certain requirements concerning the appointment of the laboratory director and chemist, and it removes a requirement that a director must report to the Commissioner.

Certificate of Public Advantage (COPA): The bill requires holders of a COPA to pay for reasonable charges incurred by the IDOH.

Home Health Agencies (HHA): The bill provides that HHA may enter into cooperative agreements to carry out the following activities for the Hoosier Care Connect (HCC) program:

- (1) To form and operate, either directly or indirectly, one or more networks of HHA to arrange for the provision of health care services through such networks.
- (2) To contract, either directly or through such networks, with the Office of the Secretary of Family and Social Services (FSSA), or the FSSA's contractors, to provide:
 - (A) services to Medicaid beneficiaries; and
 - (B) health care services in an efficient and cost effective manner on a prepaid, capitation, or other reimbursement basis.
- (3) To undertake other managed health care activities.

It provides that HHA may authorize an association, corporation, or other person to undertake or effectuate any of these activities. It requires the FSSA Secretary to oversee and supervise these activities.

Chronic Disease Registry: The bill changes the requirement that the IDOH "shall" to "may" use information compiled by a public or private entity to the greatest extent possible to develop a chronic disease registry.

Certificate of Free Sale - The bill allows the IDOH to issue a certificate of free sale to a business that meets certain requirements.

Definitions: The bill amends the definition of "person" for purposes of the state health improvement plan and grant program, and it amends the definition of "deaf or hard of hearing" for purposes of the laws governing language development for children who are deaf or hard of hearing.

Indiana Board of Pharmacy (IBP): The bill changes the membership on the Indiana board of pharmacy.

Pharmacists, Pharmacy Technicians, and Remote Pharmacies: The bill removes the requirement that a qualifying pharmacist is responsible for the legal operations of a pharmacy. It specifies responsibilities of pharmacists concerning duties previously responsible by a qualifying pharmacist. It also allows a qualified pharmacy technician to administer immunizations delegated by the pharmacist. (Current law allows pharmacy technicians to administer influenza and coronavirus disease immunizations.) The bill amends requirements for remote pharmacies. The bill also adds an exception to the definition of "wholesale distribution" for prescription drugs. It amends references to certain pharmacy school accreditation organizations.

County Coroners: The bill provides that a county coroner may not certify the cause of death for certain infants as a sudden unexplained infant death until a comprehensive death investigation is performed.

The bill makes conforming changes.

Effective Date: Upon passage; July 1, 2022.

Explanation of State Expenditures: *APRN and PA:* If APRN and PA authority to sign IFSP results in more children receiving early intervention services, expenditures under the First Steps program, Medicaid, and state employee and state educational institution (SEI) health plans may increase. Expenditures within the state Medicaid, state employee, and SEI health care plans could increase to the extent that services provided under IFSPs become more accessible to plan members due to an APRN's or PA's expanded authority to sign the plans. However, there may also be savings if APRNs or PAs provide services that otherwise would have been rendered by a physician due to lower professional fees charged by APRNs and PAs compared to physicians. APRN and PA services are reimbursed at 75% of physician rates for Medicaid fee-for-service claims. The overall impact to General Fund and dedicated fund spending for health plan benefits is indeterminable but likely to be small.

Disability and Rehabilitative Services Advisory Council (DRS Advisory Council): With five additional members of the DRS Advisory Council, per diem and traveling expense reimbursement will increase. However, the number of statutorily required meetings will decrease from 12 to 6, potentially mitigating the added member cost.

Pharmacists, Pharmacy Technicians, and Remote Pharmacies: Insurers, including Medicaid, the Children's Health Insurance Plan (CHIP), and the State Employee Health Plans will reimburse providers for additional vaccine administration fees to the extent that covered individuals receiving the vaccine at a pharmacy would not have otherwise received the vaccine. [Under Indiana's Medicaid and CHIP programs, reimbursement rates for immunization administration are typically between \$8.90 and \$17.61 per dose. The typical state share of these costs would be between \$3 and \$6 per dose.] The Professional Licensing Agency (PLA) and the IBP may have more enforcement actions based on the bill's requirements for remote pharmacies concerning staffing, ownership, and operations.

Health Improvement Grants: The bill expands the definition of eligible applicants for the Health Issues and

Challenges Grant Program to include counties. This could increase applications and the rate of approved grant awards, yet is not anticipated to impact total funding or expenditures. HEA 1001-2021 appropriated \$25 M in each year of the FY 2022 - FY 2023 biennium from the Federal American Rescue Plan Act (ARPA).

Home Health Agencies (HHA): The bill's requirements represent an additional workload and expenditure on the FSSA outside of the FSSA's routine administrative functions, and existing staffing and resource levels, if currently being used to capacity, may be insufficient for full implementation. The additional funds and resources required could be supplied through existing staff and resources currently being used in another program or with new appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend on legislative and administrative actions.

Miscellaneous and Technical Provisions: The bill has many provisions that repeal, move, clarify, or update sections of code that have no measurable fiscal impact and conform to IDOH practice and current activities.

Additional Information -

First Steps Program: The First Steps program is funded through General Fund appropriations and federal Individuals with Disabilities Education Act (IDEA) funding. Additionally, certain health plans are required under existing law to reimburse the FSSA at a monthly fee for service provided under the First Steps program. Any additional First Steps expenditures for Medicaid as a result of the bill are expected to be minor.

Medicaid State Share: Medicaid is jointly funded between the state and federal governments. The standard state share of costs for most Medicaid medical services for FFY 2022 is 34%. The standard state share of Children's Health Insurance Plan (CHIP) costs is 24%.

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: *Certificates of Public Advantage (COPA):* The bill strengthens the language in existing statute requiring COPA applicants and holders to pay fees assessed by the IDOH to fund the agency's costs for COPA review and monitoring activities. The bill also adds a requirement for COPA applicants to pay additional charges for expenses incurred by the IDOH in excess of application fees collected. All COPA fees collected would be deposited in the General Fund.

Certificate of Free Sale Fund: The bill establishes the nonreverting Certificate of Free Sale Fund to be administered by the IDOH. The IDOH may charge a fee for each certificate, which is specific to each product of export. The fee for each original certificate shall be \$25, with a \$5 fee for additional copies. This may bring in an estimated \$125,000 to \$150,000 in fee revenue annually, given the current annual number of certificates cited by the IDOH. The expenses of administering the program are to be paid from the fees.

Explanation of Local Expenditures: *School Corporations:* The bill amends the definition of "deaf or hard of hearing" for purposes of the laws governing language development for children who are deaf or hard of hearing. These changes are for clarification purposes only and are not expected to impact expenditures

related to individualized education plans (IEPs).

Local Health Plans: Local units of government that offer health insurance coverage for employees could have added health care costs if the authority given APRNs increases the number of services provided. 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. [See *Explanation of State Expenditures.*]

Home Health Agencies (HHA): To the extent that local unit hospitals are part of cooperative agreements or networks to provide services, revenues from Medicaid services may change.

Explanation of Local Revenues: *Local Health Departments:* The bill expands the definition of eligible applicants for the Health Issues and Challenges Grant Program to include counties. This could increase revenue to local units specific to receipt of grant funds from the Federal ARPA for eligible projects to improve public health.

State Agencies Affected: Department of Health, Department of Education, State Educational Institutions, Family and Social Services Administration.

Local Agencies Affected: Counties, local health departments, school corporations.

Information Sources: Micha Burkert, Indiana Department of Health.

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