

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

200 W. Washington St., Suite 301
Indianapolis, IN 46204
(317) 233-0696
iga.in.gov

FISCAL IMPACT STATEMENT

LS 6332

BILL NUMBER: SB 82

NOTE PREPARED: Mar 18, 2021

BILL AMENDED: Mar 18, 2021

SUBJECT: Mental Health Diagnosis.

FIRST AUTHOR: Sen. Crider

FIRST SPONSOR: Rep. Cook

BILL STATUS: CR Adopted - 2nd House

FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill defines "mental health diagnosis" and sets forth requirements that must be met in order for certain licensed professionals to provide a mental health diagnosis. The bill requires certain mental health professionals who are making a mental health diagnosis and who determine that the patient has not been examined by a physician, an advanced practice registered nurse, or a physician assistant in the preceding 12 months to schedule an examination for the patient. It requires notation of the patient's scheduled appointment in the patient's medical record.

Effective Date: July 1, 2021.

Explanation of State Expenditures: (Revised) *Summary* - Authorizing certain mid-level mental health practitioners to make mental health diagnoses may increase accessibility to mental health treatment and medication plans that require a diagnosis. This may result in an increased volume of claims for mental health services within the state employee health insurance plans, Medicaid, and the Children's Health Insurance Plan (CHIP). There could also be an increased volume in claims for primary care services due to the bill's requirement for mental health professionals to schedule an examination by a physician, advanced practice registered nurse, or physician assistant upon making a mental health diagnosis of certain patients. Any additional General Fund or dedicated fund expenditures for state funded health benefits are indeterminable. Additionally, violations of the bill's requirements by practitioners may result in a minor workload increase for the Behavioral Health and Human Services Licensing Board and the Professional Licensing Agency (PLA) to take disciplinary measures.

Additional Information - 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.

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%. The state share of administrative costs is 50%. 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.

Remedies for Violations: Issuing disciplinary sanctions for practitioners that violate statutory or regulatory requirements of their profession is within the Board and PLA's routine administrative functions and should be able to be implemented with no additional appropriations.

Explanation of State Revenues: A practitioner that violates provisions established by the bill may face disciplinary measures by the Behavioral Health and Human Services Licensing Board, including license suspension or revocation, or a civil penalty of up to \$1,000. Revenue from civil penalties would be deposited in the General Fund. Suspension or revocation of a practitioner's license would result in foregone General Fund revenue of \$50 biennially.

Explanation of Local Expenditures: Local units of government that provide health insurance plans for employees may experience an increase in cost or premiums as a result of increased benefit spending. Any additional expenditures are likely to be minimal.

Explanation of Local Revenues:

State Agencies Affected: Professional Licensing Agency, Behavioral Health and Human Services Licensing Board; State Personnel Department; Family and Social Services Administration.

Local Agencies Affected: Local units of government that provide health insurance plans for employees.

Information Sources: Kaiser Family Foundation, *FMAP for Medicaid and Multiplier*; Legislative Services Agency, *Indiana Handbook of Taxes, Revenues, and Appropriations*, FY 2020.

Fiscal Analyst: Adam White, 317-234-1360.