

**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 6520
BILL NUMBER: SB 132

NOTE PREPARED: Feb 27, 2024
BILL AMENDED: Feb 22, 2024

SUBJECT: Professions and Professional Services.

FIRST AUTHOR: Sen. Brown L
FIRST SPONSOR: Rep. Zent

BILL STATUS: As Passed House

FUNDS AFFECTED: X GENERAL
X DEDICATED
X FEDERAL

IMPACT: State & Local

Summary of Legislation: *Risk-Based Managed Care Program Claims Payment*– The bill authorizes the Office of the Secretary of Family and Social Services (FSSA) to implement a risk-based managed care program for certain Medicaid recipients.

Implementation of Risk-Based Managed Care Program - The bill requires the Office of Medicaid Policy and Planning (OMPP) to convene a workgroup and, with managed care organizations (MCO), to conduct a claims submission testing period before the risk-based managed care program is established. It also provides that, during the first 210 days after the risk-based managed care program is implemented, a provider that experiences a financial emergency due to claims payment issues shall receive temporary emergency assistance from the MCO with which the provider is contracted.

Business Days Clarification– The bill amends statutes concerning Medicaid provider agreements, health insurance reimbursement agreements, and Medicare supplement insurance to specify that a 15 day period consists of 15 business days.

Hospital Fiscal Reports– The bill requires the Indiana Department of Health to grant a hospital an extension of time to file the hospital's fiscal report if the hospital shows good cause for the extension. It removes an expired provision concerning hospital fiscal reports.

Telehealth Services– The bill eliminates the requirement that a provider who is licensed in Indiana, physically located outside Indiana, but providing telehealth services to patients who are in Indiana, file a certification constituting a waiver of jurisdiction.

Health Facility Administrators– The bill makes a number of changes in the law concerning health facility administrators, including eliminating the requirement that a health facility administrator display the individual's license in a prominent location in the individual's principal office and providing that a particular course of study for administrators in training is not mandatory.

Out-of-State Nurse Licensure via Examination– The bill specifies: (1) the manner in which certain nurse applicants may demonstrate English proficiency; (2) that a graduate of a foreign nursing school must pass a specified examination; and (3) additional credentialing verification assessment organizations for certain nurse applicants.

Dental Services and Third Party Administrators– The bill prohibits a third party administrator or another person from arranging for a dental provider to provide dental services for a dental plan that sets the amount of the fee for any dental services unless the dental services are covered services under the dental plan. The bill provides that a contracting entity (a dental carrier, a third party administrator, or another person that enters into a provider network contract with providers of dental services) may not grant a third party access to the provider network contract or to dental services or contractual discounts provided pursuant to the provider network contract unless certain conditions are satisfied. The bill provides that when a dental provider network contract is entered into, renewed, or materially modified, any provider that is a party to the network contract must be allowed to choose not to participate in the third party access. The bill prohibits a contracting entity from: (1) altering the rights or status under a provider network contract of a dental provider that chooses not to participate in third party access; or (2) rejecting a provider as a party to a provider network contract because the provider chose not to participate in third party access.

Cease and Desist Orders– The bill authorizes the Insurance Commissioner to issue a cease and desist order against a person that violates any of these prohibitions and, if the person violates the cease and desist order, to impose a civil penalty upon the person and suspend or revoke the person's certificate of authority.

Covered Individuals and Billing– The bill provides that if a covered individual assigns the covered individual's rights to benefits for dental services to the provider of the dental services, the dental carrier shall pay the benefits assigned by the covered individual to the provider of the dental services. The bill however, prohibits the provider from billing the covered individual (except for a copayment, coinsurance, or a deductible amount) if the provider is in the dental carrier's network.

State Board of Nursing– The bill requires the Indiana state Board of Nursing to amend a specified administrative rule to conform with this act.

Accreditation Agency Study– The bill requires the Medical Licensing Board to study certain rules concerning office-based setting accreditations and report to the General Assembly.

Effective Date: July 1, 2024.

Explanation of State Expenditures: *Telehealth Services*– This provision would slightly reduce the workload for the Professional Licensing Agency (PLA) with no more jurisdiction waiver certifications needing to be processed.

Accreditation Agency Study– Before November 1, 2024, the Medical Licensing Board must submit a report to the General Assembly regarding accreditation. Accreditation agency rules under 844 Indiana Administrative Code 5-5 would likely be studied under this provision. It is likely the board, which generally

meets monthly, would be able to complete the required report within its regular schedule of meetings.

Health Facility Administrators– This provision may increase the administrative workload of the PLA in order to make the changes within the bill. There may be a need to change forms and possibly the PLA’s license registry in order to accommodate the changes. Elimination of the provisional residential care administrator license may save the PLA some license processing time, although any time savings is likely to be small. As of June 30, 2023, there was one active provisional residential care administrator license.

Out-of-State Nurse Licensure via Examination– The bill would still allow for out-of-state RN and LPNs to be licensed by endorsement. The state Board of Nursing and possibly the PLA would have an additional administrative workload to incorporate the bill’s English language examination requirements in rules and/or other means of communication to applicants. Therefore, the impact of this provision to the board would depend on future action and if additional meetings were needed to adopt standards for the license examination of out-of-state nurses seeking an Indiana license. An additional in-person meeting of the board at full attendance is estimated to cost \$1,360 inclusive of mileage, per diem, and parking expenses. The estimate assumes none of the members would stay overnight in Indianapolis prior to or after the meeting. The board met 12 times in person during CY 2023.

Cease and Desist Orders– It is likely the Department of Insurance (DOI) Commissioner would be able to issue any additional cease and desist orders the bill may generate as a routine course of business. *[The DOI is funded through a dedicated agency fund.]*

Implementation of Risk-Based Managed Care Program - With federal approval of prepayments for providers in financial emergency, the bill will add to the workload of the OMPP to oversee the financial emergency process, including making determinations that a provider is in a financial emergency. Also, the bill’s provisions requiring testing of the claims submission process could increase costs for the managed care organizations which may be passed on to the Medicaid program. The FSSA reports that the bill’s requirements are within the agency’s routine administrative functions and should be able to be implemented with no additional appropriations, assuming near customary agency staffing and resource levels.

Explanation of State Revenues: *Telehealth Services*– An existing Class B infraction involving telehealth providers would be expanded under the bill. The maximum judgment for a Class B infraction is \$1,000, which would be deposited in the state General Fund. The total court fee revenue per case would range between \$85.50 and \$103. The amount of court fees deposited will vary depending on whether the case is filed in a court of record or a municipal court. The following linked document describes the fees and distribution of the revenue: [Court fees imposed in criminal, juvenile, and civil violation cases.](#)

Professional Licensing Agency Fee Revenue– The bill’s impact on PLA fee revenue is indeterminable. However, it is likely that any change in fee revenue from the licenses affected by the bill would be minimal.

Cease and Desist Orders– The DOI Commissioner would have the option to impose a civil penalty on persons violating any cease and desist order placed on them under the bill’s provisions. The maximum penalty would be no more than \$10,000 per day for each day the order has been violated.

Explanation of Local Expenditures:

Explanation of Local Revenues: *Telehealth Services*– If additional court actions occur and a judgment is entered, more revenue will be collected by certain local units. If the case is filed in a court of record, the

county will receive \$33.90 and qualifying municipalities will receive a share of \$2.10. If the case is filed in a municipal court, the county receives \$20, and the municipality will receive \$33.50. The following linked document describes the fees and distribution of the revenue: [Court fees imposed in criminal, juvenile, and civil violation cases.](#)

State Agencies Affected: Department of Insurance; Office of Medicaid Policy and Planning; Family and Social Services Administration; Professional Licensing Agency; State Board of Nursing; Board of Health Facility Administrators; Medical Licensing Board.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: LSA's license cost estimator model updated for FY 2024; Professional Licensing Agency license count data as of June 30, 2023; Indiana Supreme Court, Indiana Trial Court Fee Manual; https://www.in.gov/pla/professions/nursing-home/nursing-licensing-information/#Graduates_of_Foreign_Nursing_Schools; 844 IAC 5-5.

Fiscal Analyst: Chris Baker, 317-232-9851; Karen Rossen, 317-234-2106.