

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

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6399

BILL NUMBER: HB 1124

DATE PREPARED: Jan 27, 2000

BILL AMENDED: Jan 26, 2000

SUBJECT: Health Facilities.

FISCAL ANALYST: Alan Gossard

PHONE NUMBER: 233-3546

**FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL**

IMPACT: State

Summary of Legislation: (Amended) *Nursing Home Regulatory Enforcement:* This bill allows oral allegation of a breach of the health facilities law or rules. The bill also requires the State Department of Health (SDH) to investigate all breach allegations. The bill specifies that a penalty may be imposed for each violation or repeat of a violation. This bill also prohibits the collection from certain facilities of a fine under state law in addition to a monetary penalty under federal law.

State Health Finance Commission: This bill also changes the Senate committee that is part of the State Health Finance Commission.

Quality Improvement and Education Fund: The bill also establishes the Quality Improvement and Education Fund and requires that 50% of the fines collected for nursing home violations be deposited in this fund.

Effective Date: July 1, 2000; September 1, 2000.

Explanation of State Expenditures: (Revised)

Explanation of State Revenues: (Revised) This bill establishes the Quality Improvement and Education Fund for the purpose of conducting education and training programs, development of best practice guidelines, and for clinical research designed to improve the quality of care provided in nursing facilities. The amount of FY99 fines deposited in the state General Fund (as of November 1999) was \$208,700. This bill provides that half of the fines collected will be deposited into the Quality Improvement and Education Fund and half into the State General Fund. Consequently, if fine collections are in amount similar to FY99, deposits into the Quality Improvement and Education Fund will be about \$105,000 annually, while deposits into the State General Fund will be reduced by half (also in the amount of about \$105,000, annually).

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: State Department of Health

Local Agencies Affected:

Information Sources: Gerald Coleman, Indiana State Department of Health, (317) 233-7022.