

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6721**

**BILL NUMBER:** HB 1306

**NOTE PREPARED:** May 4, 2005

**BILL AMENDED:** Apr 28, 2005

**SUBJECT:** Various Health Matters.

**FIRST AUTHOR:** Rep. Becker

**FIRST SPONSOR:** Sen. Server

**BILL STATUS:** Enrolled

**FUNDS AFFECTED:**  **GENERAL**  
 **DEDICATED**  
 **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill establishes the Statewide Independent Living Council. The bill requires the Council to assist the Division of Disability, Aging, and Rehabilitative Services (Division) in the preparation of a state plan to provide independent living services and promote the development of a statewide network of centers for independent living. It also authorizes state grants for centers for independent living. The bill requires the Division to review certain centers receiving federal money for compliance with federal law.

The bill also requires a physician to provide certain information to an individual before referring the individual to a health care entity in which the physician has a financial interest. It provides certain exceptions.

**Effective Date:** July 1, 2005.

**Explanation of State Expenditures:** *Statewide Independent Living Council:* The bill establishes the Statewide Independent Living Council, a federally mandated body necessary to receive federal funds. The Council may not be established as an entity of a state agency. The statutorily defined Statewide Independent Living Council will replace the Indiana Council on Independent Living, which was created by executive order.

The bill requires the Statewide Independent Living Council to assist the Division in the preparation of the State Independent Living Plan. This also is a federally mandated activity that is necessary to draw down federal funds under the Independent Living Act, Title VII, Part B. Travel expenses and the salary per diem, required in the bill for the lay members of the 20-member Council, have been paid in the past from the Independent Living account. The Council has been supported in the past with 90% federal funds and 10% state matching funds. This provision codifies the Council and its associated expenses that previously were authorized by an

executive order.

The bill authorizes state grants for centers for independent living but appropriates no state dollars for this purpose. The Division reports there currently are no funds available for this purpose.

The bill also requires the Division to review the 7 independent living centers that receive Title VII, Part B, funds on a periodic basis. There are a total of 9 independent living centers in the state. The Division reports that 3 centers are funded mainly from the Part B funds, while 4 others receive some Part B funding that may also be subject to some state review. The review is also a requirement for claiming the federal money. The Division reports that this activity has not yet occurred although it is required. The Division reports they believe the resources necessary to perform these reviews are available within the existing level of funding. The Division reports the reviews would likely be performed every 3 years.

*Physician Referrals:* Any fiscal impact of this provision would be dependent upon the number of complaints of noncompliance that would potentially be filed against practitioners.

Current statute provides for an investigation to be conducted by the Medical Licensing Section of the Office of the Attorney General. If there is sufficient evidence of noncompliance, charges would be filed before the Medical Licensing Board and a hearing would be held. The cost of this process to the state would be related to the expense associated with the investigation and the expense of any subsequent disciplinary proceeding that might follow.

**Explanation of State Revenues:** See the *Explanation of State Expenditures* regarding federal matching funds in the Independent Living, Title VII, Part B, program.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Division of Disability, Aging, and Rehabilitative Services, Family and Social Services Administration; Office of the Attorney General; Health Professions Bureau; and the Medical Licensing Board.

**Local Agencies Affected:**

**Information Sources:** Barbara McNutt, Chief Counsel, Health Professions Bureau, (317) 234-1987; Jennifer Thuma, Legislative Counsel, Attorney General's Office, (317) 233-6143; Mike Hedden, Deputy Director of Vocational Rehabilitation, Division of Disability, Aging, and Rehabilitation Services, 317-232-1523.

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