

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7736

BILL NUMBER: SB 489

NOTE PREPARED: Feb 12, 2007

BILL AMENDED: Feb 6, 2007

SUBJECT: Funding for Rural Health Care Program.

FIRST AUTHOR: Sen. Ford

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill establishes the Rural Health Care Pilot Program Support Fund to provide grants to Indiana health care providers who participate in the federal Rural Health Care Pilot Program.

Effective Date: July 1, 2007.

Explanation of State Revenues: (Revised) Under the bill, the Rural Health Care Pilot Program Support Fund is established to make grants to health care providers who participate in a Rural Health Care Pilot Program to make the local match required as a condition of the provider's participation in the pilot program. The money in the Fund will consist of money appropriated, designated, or dedicated by the General Assembly, and gifts, grants, and bequests. Money in the Fund at the end of the fiscal year does not revert to the state General Fund.

The Office of Technology will administer the Fund, including prescribing the grant application forms and establishing the grant procedures. The Treasurer of State will invest money in the Fund and may contract for assistance in the management of the Fund with any expenses paid from the Fund.

Background: There are no data available to indicate if any Indiana rural health care providers are participating in this Federal Communication Commission (FCC) program aimed at helping public and nonprofit health care providers build state and regional broadband networks. This network works on Internet2, which is a dedicated nationwide backbone connecting government research, academic, and public and private health care institutions. The program provides up to 85% of the construction costs of a dedicated health care network and up to 85% of the costs of connecting to the nationwide Internet2. However, the

Internet2 connection is not required, but may be requested by applicants. The FCC estimates that approximately \$55 to \$60 M is available for the pilot program in 2007.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Office of Technology; Treasurer of State.

Local Agencies Affected:

Information Sources: www.fcc.gov; and www.usac.org/rhc/tools/rhcdb/Rural/2005/result.asp

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