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FISCAL IMPACT STATEMENT

LS 6830
BILL NUMBER: SB 216

NOTE PREPARED: Feb 13, 2009
BILL AMENDED: Feb 12, 2009

SUBJECT: Regulation of Retail Health Clinics.

FIRST AUTHOR: Sen. Miller
FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill requires the State Department of Health (ISDH) to conduct a study to determine: (1) the number of health clinics in Indiana; (2) whether the health clinics are regulated by the state; (3) the adequacy of the regulation; and (4) whether any additional standards are necessary or beneficial. The bill also requires ISDH to report its findings to the Health Finance Commission and the Legislative Council by October 1, 2009.

Effective Date: (Amended) Upon passage.

Explanation of State Expenditures: (Revised) This bill would require ISDH to report the following information to the Health Finance Commission and Legislative Council by October 1, 2009:

- (1) The number of health clinics in the state.
- (2) Of the health clinics in the state, the number that are state-regulated including a clinic that is regulated under a hospital's license.
- (3) The adequacy of regulations existing in the state of health clinics.
- (4) Whether additional standards other than those required by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) are necessary or would benefit state residents who receive these services.

The funds and resources required above could be supplied through a variety of sources, including the following: (1) existing staff and resources not currently being used to capacity; (2) existing staff and resources currently being used in another program; (3) authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) funds that, otherwise, would be reverted; or (5) new appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill

will depend upon legislative and administrative actions.

Background Information: ISDH reverted approximately \$4.4 M to the General Fund at the end of FY 2008.

ISDH does not currently regulate most health clinics in the state. ISDH reports that a large number of physician offices, medical group clinics, and immediate care clinics are not state-licensed or federally certified. Hospital-owned immediate care centers are the clinics that are the most likely to be state-licensed. The only clinics in the state that are federally certified are community mental health centers and rural health clinics.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: SDH.

Local Agencies Affected:

Information Sources: Terry Whitson, SDH; *FY 2007-2008 Close-Out Statement*, State Budget Agency.

Fiscal Analyst: Bill Brumbach, 232-9559