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**FISCAL IMPACT STATEMENT**

**LS 6955**

**BILL NUMBER:** HB 1363

**NOTE PREPARED:** Jan 7, 2010

**BILL AMENDED:**

**SUBJECT:** Medicaid Providers and Electronic Records.

**FIRST AUTHOR:** Rep. Culver

**BILL STATUS:** As Introduced

**FIRST SPONSOR:**

**FUNDS AFFECTED:**  GENERAL  
 DEDICATED  
 FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** This bill requires a Medicaid provider to use an electronic health records system not later than January 1, 2011.

**Effective Date:** July 1, 2010.

**Explanation of State Expenditures:** This bill does not specify if an electronic health record is an electronic medical record, an electronic claim for Medicaid reimbursement, or both.

If the required record involves Medicaid reimbursement claims, the bill should have limited fiscal impact on the state. It could result in savings if paper claims are eliminated. Any savings would accrue to the contractors performing claims processing on behalf of the state until such time as the contract might be amended or rebid. The Indiana Health Coverage Programs reported that for the last quarter of FY 2007, approximately 11% of non-pharmacy claims were paper claims. These claims did not include claims for risk-based managed care. [Information regarding the types of providers that submit paper claims will be updated when it is received.]

If the required electronic health record is considered to be a medical record, it is not known how many Medicaid providers use electronic systems or that use systems that would be compatible with a system selected by the Office of Medicaid Policy and Planning (OMPP).

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** Local government-owned hospitals and health facilities, local school

corporations, and any other local entity that provides Medicaid services would be required to use an electronic system. The cost would depend on the system requirements.

**Explanation of Local Revenues:**

**State Agencies Affected:** Family and Social Services Administration (FSSA), OMPP.

**Local Agencies Affected:** Local government-owned hospitals and health facilities, and local school corporations.

**Information Sources:** FSSA.

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