LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
http://www.in.gov/legislative

FISCAL IMPACT STATEMENT

LS 6527 | **NOTE PREPARED:** Apr 2, 2013
BILL NUMBER: HB 1328 | **BILL AMENDED:** Mar 28, 2013

SUBJECT: School Health Care Clinic Pilot Project.

FIRST AUTHOR: Rep. Brown T | **BILL STATUS:** As Passed Senate
FIRST SPONSOR: Sen. Patricia Miller

FUNDS AFFECTED: X **GENERAL** | **IMPACT:** State
DEDICATED
FEDERAL

Summary of Legislation: This bill has the following provisions:

(1) Provides that the Office of the Secretary of Family and Social Services Administration (FSSA) may develop and implement pilot projects to establish:
  (1) a health care clinic located in an elementary school or high school to provide health care to students and the students' families; and
  (2) an evidence-based program model with schools to provide social services to individuals.
(2) Specifies certain requirements and prohibitions relating to services provided by a school health care clinic.
(3) Allows the FSSA to contract with a vendor to:
  (1) administer the school health care clinic; and
  (2) provide services for the social services program model.
(4) Requires the FSSA to report to the Health Finance Commission concerning the school health care pilot project, the number of school health care clinics in Indiana, and the effectiveness of school health care clinics.

Effective Date: July 1, 2013.

Explanation of State Expenditures: *Summary*: Depending on the decisions of FSSA administrators with regards to implementing the two pilot programs in the bill, this bill could increase FSSA expenditures to (1) provide the school health care clinic pilot project and (2) implement a program that provides social services to high school and elementary school children. The estimated increase in FSSA expenditures could be between $103,000 and $555,000 per year.

Additional Information:

School Health Care Clinic Pilot Project: The bill is silent on specific requirements for the pilot project. Costs of implementing the school health care clinic would depend on the operational schedule of the clinic (e.g., hours of operation, which days the clinic is open) as well as staff required to staff the clinic. The requirements of the bill could be met by operating the school health care clinic one day a month with an adequate amount of staff that is certified to provide preventive and acute health care services.

Actual increases in state expenditures to implement the program will depend on (1) if FSSA elects to implement a school health care clinic pilot project, (2) any decisions made by the FSSA regarding the operation of the clinic, and (3) the bids submitted by health professionals if the FSSA decides to implement the clinic via contract.

Based on eight federal grant recipients in the state of Indiana, if the FSSA were to contract out the implementation of a school-based clinic, state expenditures could increase between $48,000 and $500,000 annually. The FSSA estimates implementing the pilot project could increase state expenditures by $434,000 per participating site to cover costs of staff, supplies, equipment, and marketing.

Social Services Programs in Schools: This bill allows the FSSA to implement or contract out an evidence-based program that partners with elementary schools and high schools to provide social services to children. If the FSSA chooses to implement the program, it is unknown what impact the implementation will have on state expenditures.

If the FSSA elects to contract out the requirement, the contracted provider is required to employ, at minimum, one individual with a master's degree in social work. The median annual salary for an individual with this level of education (independent of experience and specific location in the state) in Indianapolis is approximately $55,000. As a result, if the FSSA contracts out the requirement with a provider who meets the minimum requirements under the bill, state expenditures could increase by an estimated $55,000 annually.

It is not known how many nonprofit organizations would (1) qualify to operate as the vendor under the bill's requirements or (2) submit a request for proposal to FSSA. The actual impact of this bill will depend on the value of any contract entered into between FSSA and a nonprofit organization.

Currently, at least one nonprofit corporation in the Evansville area meets the program model requirements as well as the vendor requirements specified in the bill. This program reported it will no longer receive federal grant funds of $600,000 annually at the end of FFY 2013.

Study Requirements: If the FSSA does implement the social services pilot project, the FSSA would be required to evaluate the program model outcome and annually report these outcomes to the Legislative Council. Increases in state expenditures for this evaluation are currently unknown.

Further, the bill requires the FSSA to report to the Health Finance Commission (1) about the implementation of the pilot project before October 1, 2013, and (2) information concerning the number of school health care clinics in the state and the effectiveness of these school health care clinics by October 1, 2014, and every year thereafter.

Federal Capital Grant Funding for School-Based Health Centers: Under the federal Affordable Care Act,

a total of $200 M was appropriated between FFY 2011 and FFY 2013 to support capital grants to improve and expand services at school-based health centers. During this period, there have been a total of eight recipients who have received these grant funds in the state of Indiana. It is not known if revenue received from these grants covered total operating expenses for the school-based clinics.

School	City	Year Awarded	Grant Amount
Madison County Community Health Center	Anderson	2011	$138,000
Community Hospitals Foundation	Indianapolis	2011	$499,945
Richmond Community Schools	Richmond	2011	$489,609
Vermillion-Parke Community Health Center	Clinton	2011	$350,552
Shalom Health Care Center, Inc.	Indianapolis	2012	$50,000
Healthnet, Inc.	Indianapolis	2012	$47,445
Open Door Health Services, Inc.	Muncie	2013	$368,743
Healthlinc, Inc.	Valparaiso	2013	$500,000

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: FSSA.

Local Agencies Affected:

Information Sources: Christina Hage, FSSA; U.S. Department of Health and Human Services, Health Resources and Services Administration; Salary information for the Indianapolis area for individuals with an MSW degree is available at the following address:
http://swz.salary.com/SalaryWizard/Social-Worker-MSW-Salary-Details-46204.aspx.

Fiscal Analyst: Bill Brumbach, 232-9559.