

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington St., Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
iga.in.gov

**FISCAL IMPACT STATEMENT**

**LS 6925**

**BILL NUMBER:** HB 1203

**NOTE PREPARED:** Mar 15, 2021

**BILL AMENDED:** Mar 11, 2021

**SUBJECT:** Various Department of Health Matters.

**FIRST AUTHOR:** Rep. McNamara

**FIRST SPONSOR:** Sen. Crider

**BILL STATUS:** 2<sup>nd</sup> Reading - 2<sup>nd</sup> House

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

**IMPACT:** State & Local

**Summary of Legislation:** *Department Name* - This bill provides that the State Department of Health (Department) may officially be known as the Indiana Department of Health.

*Appeals Panels* - The bill removes by July 1, 2022, appeals panels from the appeals process of Department orders. The bill provides that the Executive Board of the Department's designee may act as the ultimate authority for Department matters under the administrative and procedures laws.

*Commissioner Authority* - The bill provides that the State Health Commissioner (Commissioner) is the appointing authority and director of the Department.

*Department-Employed Physicians* - The bill provides that any physicians employed by the Department are governed by the State Ethics Commission's conflict of interest requirements. The bill also allows the Commissioner to designate in writing employees in the department who are licensed as a physician and may engage in the practice of medicine outside of their official duties. It provides that the state is not liable for any act performed by a physician employed by the Department for any medical care provided to a patient by the physician that is provided in an individual capacity as a licensed physician.

*Executive Board Duties* - The bill removes the Executive Board of the Department from determining the Commissioner's salary. It provides that the Commissioner's salary is determined by the Governor and the State Budget Agency. The bill also removes the Executive Board's approval for the Commissioner to organize the personnel and functions of the Department into divisions and subdivisions.

*Data Sharing* - The bill specifies that the State Department of Health may release certain information to an

Indiana nonprofit entity that performs health data services for health care providers if specified conditions are met.

*Syringe Exchange* - The bill extends the expiration of the Syringe Exchange Program until July 1, 2030.

**Effective Date:** Upon Passage; July 1, 2021; July 1, 2022.

**Explanation of State Expenditures:** *Summary* - The State Department of Health (Department) may experience an indeterminate, but likely minor change in overall spending levels as a result of the bill's provisions regarding:

1. The sunseting of appeals panels;
2. Ethics standards and legal protections concerning physicians employed by the Department;
3. Removal of duties from the Department's Executive Board, including approval of the Commissioner's Salary and approval for changes to the Department's organizational structure.

Additionally, the extension of the Syringe Exchange Program's authorization through FY 2030 will continue existing workload and associated costs for the Department.

**Additional Information** -

*Appeals Panels:* Current statute calls for the Department to establish appeals panels to review orders issued by an administrative law judge regarding appeals made under the Administrative Orders and Procedures Act by health care facilities regulated by the Department. The bill would remove these panels from the appeals process for orders issued after June 30, 2021, making the Department's Executive Board the ultimate authority for these orders. If the removal of these panels results in less staff time and resources needed to facilitate appeals processes, the Department may realize a minor decrease in administrative expenditures.

*Department-Employed Physicians:* The bill specifies that the state is not liable for the actions of physicians employed by the Department relating to medical care provided in an individual capacity. If this provision prevents the Department from becoming involved in litigation against employees operating private practices, the Department may avoid incurring additional legal costs and workload. This impact is expected to be minimal.

*Transfer of Executive Board Duties:* The bill transfers authority over setting the State Health Commissioner's salary from the Department's Executive Board to the Governor and State Budget Agency. Additionally, the bill repeals the requirement that the Executive Board approve decisions made by the Commissioner relating to the organization of personnel and functions of the Department into divisions and subdivisions. These shifts in decision-making authority could result in indeterminate, but likely minor changes in the Department's expenditures.

*Syringe Exchange Programs:* In addition to technical assistance, the Department makes grants to locally approved Syringe Exchange Programs from federal Centers for Disease Control (CDC) HIV Prevention funds. Federal and state funds are not used in the purchase of syringes, but may be used for staffing and harm reduction components of the programs. The Department has reported the following total grants from the funds.

FY 2018	\$479,206
FY 2019	\$542,980
FY 2020	\$514,029

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** Additional local Syringe Exchange Programs could be started or existing programs could be continued with the delay of the sunset provision until July 1, 2030.

*Additional Information* - As of 2019, Indiana had over 8,500 people participating in Syringe Exchange Programs within 9 counties.

**Explanation of Local Revenues:**

**State Agencies Affected:** State Department of Health.

**Local Agencies Affected:** Local health departments that facilitate Syringe Exchange Programs.

**Information Sources:** <https://www.in.gov/isdh/27356.htm>

**Fiscal Analyst:** Adam White, 317-234-1360.