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FISCAL IMPACT STATEMENT

LS 6819

BILL NUMBER: HB 1214

NOTE PREPARED: Jan 29, 2024

BILL AMENDED: Jan 16, 2024

SUBJECT: Dental Matters.

FIRST AUTHOR: Rep. Zent

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: *Dental Compact*– The bill establishes the Dentist and Dental Hygienist Compact (DDH Compact). The bill provides the requirements states must follow in order to participate in the DDH Compact. It provides that dentists and dental hygienists may practice in participating states so long as the dentists and dental hygienists meet certain criteria. The bill provides that active military members and their spouses should pay reduced or no fees in order to practice in participating states. It establishes a governing commission and sets out its powers, duties, financing, and liability. The bill provides various mechanisms for the participating states and the governing commission to regulate the interstate practice of dentists and dental hygienists. It provides for various contingencies, including the process to effect, amend, enforce, withdraw from, or terminate the DDH Compact.

Other Miscellaneous Provisions– The bill makes technical corrections. The bill removes certain language regarding the regulation of dentists.

Effective Date: July 1, 2024.

Explanation of State Expenditures: *Dental Compact*– Joining the DDH Compact would increase the workload of the Professional Licensing Agency (PLA) and the State Board of Dentistry beyond routine administrative functions. Implementation of the DDH Compact is expected to require between \$30,800 and \$52,800 in staffing costs in FY 2025, assuming the compact will have enough member states to begin operation. After implementation, the PLA would incur between \$8,800 and \$20,200 in ongoing annual operating expenses related to administering the Compact.

PLA operating expenses are paid from General Fund appropriations. The following table provides a

breakdown of estimated initial and ongoing expenditures required for the State to join the DDH Compact.

[The dates assume joining the DDH Compact beginning in FY 2025. Currently, the compact does not yet have the seven required member states. There are three current member states and five states that have pending legislation to join the DDH Compact.]

Estimated PLA Expenditures for the Dentist & Dental Hygienist Licensure Compact				
Expense	FY 2025[^]		FY 2026 & Subsequent Years	
	<u>Low Estimate</u>	<u>High Estimate</u>	<u>Low Estimate</u>	<u>High Estimate</u>
PLA & Board of Dentistry Implementation Costs*	\$30,800	\$52,800	-	-
PLA & Board of Dentistry Ongoing Administrative Costs*	-	-	\$8,800	\$13,200
Delegate Travel**	-	-	\$0	\$1,000
Annual Assessment Fee***	-	-	\$0	\$6,000
TOTAL	\$30,800	\$52,800	\$8,800	\$20,200
[^] Assumes Indiana would join Compact in FY 2025 *Estimated salary cost of existing staff to complete the bill's requirements. **Includes average costs for domestic airfare, lodging, meals, and ground transportation. ***Possible assessment fee range based on assessments of similar license compacts.				

Additionally, the Attorney General's Office and the Board of Dentistry would experience an increase in workload for investigatory and disciplinary procedures to the extent that complaints are made against out-of-state practitioners practicing in Indiana under the DDH Compact or Indiana licensees practicing in other states. The Board of Dentistry would also be required to pay any witness fees and travel expenses necessary to summon witnesses from other compact states for hearings held by the Board of Dentistry. The volume of such complaints and disciplinary actions is expected to be minimal.

Commissioner Travel– It is assumed that any travel required of Indiana's appointed delegate for Commission business would be at the expense of the PLA. However, the bill provides that the Commission must meet at least once per year and may meet by telecommunication, video conference, or other similar electronic means. Costs for Indiana's delegate to attend annual meetings are estimated between \$0 (if electronic meetings are held) and \$1,000 per year, based on recent domestic airfare and lodging costs.

Uniform Data Set– Upon joining the compact, the bill would require the PLA to submit a uniform database containing certain identifying, licensure, and disciplinary information to the Commission's coordinated database on all participating practitioners. Similar requirements were included in the authorization of the Nurse Licensure Compact, which was recently implemented by the PLA. The PLA reported costs of approximately \$130,000 for harmonizing its licensure database with the Nurse Licensure Compact's national database, an effort that was funded through a grant awarded by the Nurse Licensure Compact Commission. To the extent the PLA determines that the data sharing requirements of the compact necessitate similar customization of PLA's existing licensure database, similar information technology costs may be incurred.

Each member state would be required to monitor the database for determination if adverse action has been taken against any licensee or license applicant.

Adverse Action: The bill grants Indiana the authority to investigate and take adverse action against a dentist or dental hygienist's compact privileges in Indiana. It is likely the Attorney General's Office and the Board of Dentistry would be the state's advocates for investigating and taking adverse action. It is likely the Attorney General and the Board of Dentistry would conduct any investigations and take action within their existing staff and resource levels.

Annual Compact Membership Fee— A state membership fee has not yet been established. According to the DDH Compact website, “[t]he first seven states to pass the compact will make up the initial commission. They will set up the fee structure. Only two active licensure compacts assess the state with a participation fee. Whether or not the Dentist and Dental Hygienist Compact will charge a fee will be up to the commission which is made up of member states.” Currently, the Interstate Medical Licensure Compact Commission charges a service fee to each interstate license applicant. However, the Nursing Compact charges member states an annual fee of \$6,000. Therefore, the fiscal impact estimate assumes a minimum fee of \$0 to a maximum fee of \$6,000 that would be assessed, depending on what the DDH Compact governing body decides.

Other Miscellaneous Provisions— The PLA may have an additional workload to update their website and practitioners of the changes under this provision. It is likely the PLA would be able to make any necessary changes as a routine administrative action.

Explanation of State Revenues: Summary - If a significant number of out-of-state dentists and dental hygienists holding Indiana licenses choose to forego Indiana license renewal for compact authorization to practice in Indiana, the bill could potentially result in a reduction in state General Fund revenue from license fees estimated between \$31,800 and \$95,500 per biennium. However, the bill provides that member states may charge a fee for granting compact privileges. Therefore, Indiana could potentially recoup some or all of this lost revenue through compact privilege fees, depending on rules adopted by the Compact Commission relating to member state fees. Any revenue impact would not be expected until the fiscal year that compact privileges begin to be granted in Indiana (FY 2025 at the earliest).

Additional Information - The Board of Dentistry currently collects a biennial license fee of \$100 for dentists and \$50 for dental hygienists. In FY 2022 and FY 2023, the Board of Dentistry collected approximately \$0.96 M from license fees, with a significant majority of that amount (\$0.84 M) being collected in FY 2022. As of October 31, 2023, there were 4,585 dentists and 5,384 dental hygienists with an active Indiana license, of which 3,589 licensed dentists and 4,830 licensed dental hygienists had an in-state address. Estimates of possible revenue reduction assume between 25% and 75% of the out-of-state licensees would choose not to renew their Indiana licenses upon receiving compact privileges.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Indiana General Assembly; Professional Licensing Agency; State Board of Dentistry; Attorney General.

Local Agencies Affected:

Information Sources: <https://ddhcompact.org/>; <https://ddhcompact.org/compact-map/>;
<https://www.imlcc.org/wp-content/uploads/2020/02/IMLCC-Rule-Chapter-3-Administrative-Rule-on-Fees-Amended-May-22-2017.pdf>; <https://www.ncsbn.org/public-files/FY21-NLCAnnualReport.pdf>;
<https://ddhcompact.org/faq/>; PLA license search and verify tool.

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