

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

**LS 7698**  
**BILL NUMBER: HB 1587**

**NOTE PREPARED:** Feb 17, 2025  
**BILL AMENDED:** Feb 13, 2025

**SUBJECT:** Insurance Matters.

**FIRST AUTHOR:** Rep. Carbaugh  
**FIRST SPONSOR:**

**BILL STATUS:** 2<sup>nd</sup> Reading - 1<sup>st</sup> House

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

**IMPACT:** State & Local

**Summary of Legislation:** *Mobile Integrated Healthcare Program:* This bill provides that the requirement for a state employee health plan, policy of accident and sickness insurance, and a health maintenance organization contract to provide reimbursement for emergency medical services includes emergency medical services that are performed or provided as part of a mobile integrated healthcare program.

*MCO Rate:* This bill provides that a managed care organization and a provider may agree to change the payment amount for emergency services and medically necessary screening services in the emergency department of a hospital. It provides that the Secretary of Family and Social Service may void an agreement regarding a different reimbursement rate or methodology between a managed care organization and a provider if the Secretary finds that the agreement would have an adverse impact on the Medicaid budget

*Consumer Data Protection:* It provides that the article regarding consumer data protection does not apply to any organization exempt from taxation under Section 501(c)(4) of the Internal Revenue Code that is established to detect or prevent insurance related crime or fraud.

*Certificate of Authority Application:* It changes the deadline for the Indiana Public Employers' Plan, Inc. to apply to the insurance commissioner for a certificate of authority to transact business as a domestic tax exempt reciprocal insurance company from before December 31, 2026, to before December 31, 2030.

*Public Forums:* It repeals the statute requiring carriers of health insurance plans to conduct annual public forums.

*Small Employer Definition:* It amends the definition of "small employer" in the chapter regarding small employer group health insurance.

*Settlements Involving Minors:* It allows a person who has legal custody of a minor to settle or compromise and enter into a settlement agreement with a person against whom the minor has a claim or from whom the minor is to receive proceeds from the sale of real estate if certain conditions are met.

**Effective Date:** July 1, 2025; January 1, 2026.

**Explanation of State Expenditures:** *Mobile Integrated Healthcare Program:* The bill could result in increased expenditures for the State Employee Health Plan to provide reimbursement for services provided as part of a mobile integrated healthcare (MIH) program. Any resulting increase in plan premiums may be mitigated with adjustments to other benefits or to employee compensation packages, or through the division of premium costs between the state and state employees.

The bill's requirements will increase workload for the Indiana Department of Insurance (DOI) but should be able to be implemented using existing staffing and resources. [*The DOI is funded through a dedicated agency fund.*]

*Settlements Involving Minors:* The bill requires the Department of Child Services (DCS) to establish either a restricted trust account, subaccount of a trust account, restricted savings account, or other restricted investment account that earns interest for the benefit of the minor for the purpose of receiving money payable to the minor under the settlement agreement. It requires the DCS to establish procedures for electronic transfer of settlement funds into the account and notice of the deposit. These provisions will increase the administrative responsibility of the DCS to establish trust accounts (if applicable). However, any increase in workload is expected to be minor and should be able to be implemented using existing staffing and resources.

*MCO Rate:* The bill will increase workload for the Family and Social Services Administration to monitor and review reimbursement rates between managed care organizations and providers, but should be able to be implemented using existing staffing and resources.

*Public Forums:* The State Personnel Department will have a minimal decrease in administrative costs and workload to no longer prepare for and take part in the annual public forum for the State Employee Health Plan, as required under current law.

*Consumer Data Protection:* If exempting 501(c)(4) organizations from consumer data protection, as prescribed in the bill, results in fewer disciplinary actions initiated, workload would decrease for the Attorney General.

**Additional Information:** The Indiana Department of Homeland Security's MIH program dashboard provides a list of MIH programs by county, service, and provider. As of January 2025, 62 Indiana counties have at least one MIH service provider.

**Explanation of State Revenues:** *Settlements Involving Minors:* If fewer civil cases occur and court fees are collected, revenue to the state General Fund will decrease. The total revenue per case would range between \$100 and \$122. The amount deposited will vary depending on whether the case is filed in a court of record or a municipal court. The following linked document describes the fees and distribution of the revenue: [Court fees imposed in civil, probate, and small claims cases](#).

*Consumer Data Protection:* State revenue would decrease if exempting 501(c)(4) organizations from consumer data protection, as prescribed in the bill, results in fewer civil penalties collected by the Attorney General. [Under current law, such civil penalties may total up to \$7,500 per violation.]

**Explanation of Local Expenditures:** *Mobile Integrated Healthcare Program:* Local units that offer health

plans may have increased expenditures to provide reimbursement for mobile integrated healthcare services.

**Explanation of Local Revenues:** *Mobile Integrated Healthcare Program:* Reimbursement of medical services for runs that do not end in hospital transport will increase revenue for local units that operate emergency medical services.

*Settlements Involving Minors:* If fewer cases occur, revenue collected by certain local units will decrease. If the case is filed in a court of record, the county will receive \$32 and qualifying municipalities will receive a share of \$3. If the case is filed in a municipal court, the county receives \$20, and the municipality will receive \$37. The following linked document describes the fees and distribution of the revenue: [Court fees imposed in civil, probate, and small claims cases](#).

**State Agencies Affected:** Indiana Department of Insurance; Attorney General; Department of Child Services; Family and Social Services Administration; State Personnel Department, all state agencies.

**Local Agencies Affected:** Local units offering health plans; local units operating emergency medical services; trial courts, city and town courts.

**Information Sources:** <https://www.in.gov/dhs/ems/mobile-integrated-health>; IC 24-15-10-2; Legislative Services Agency, *Indiana Handbook of Taxes, Revenues, and Appropriations*, FY 2024; Indiana Supreme Court, Indiana Trial Court Fee Manual.

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