

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

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**FISCAL IMPACT STATEMENT**

**LS 6630**  
**BILL NUMBER: SB 5**

**NOTE PREPARED:** Feb 23, 2022  
**BILL AMENDED:** Feb 23, 2022

**SUBJECT:** Reciprocity.

**FIRST AUTHOR:** Sen. Brown L  
**FIRST SPONSOR:** Rep. Vermilion

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

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

**IMPACT:** State & Local

**Summary of Legislation:** *Office of Medicaid Policy and Planning*– The bill requires the Office of Medicaid Policy and Planning to review methods of calculating outlier payments in relation to final reimbursement amounts.

*License Reciprocity*– This bill establishes a procedure to grant licenses and certificates to practice certain health care professions in Indiana. It requires the applicant to hold a current license or certificate from another state or jurisdiction and meet other requirements.

*Provisional Licenses*– The bill allows the applicant who meets certain requirements to apply for a provisional license or provisional certificate. It requires the provisional license or provisional certificate to be issued within 30 days.

*Penalties*– The bill provides for penalties for submitting false information on an application for a provisional license or provisional certificate.

*Board Decisions*– The bill requires a board to make a final decision on a license or certificate application before the expiration of a provisional license or provisional certificate.

*Timely Approval*– The bill provides that if a board has a pending application for initial licensure or certification that requires final approval by the board, the board shall meet not more 31 days after the application is ready for approval.

*Physicians*– The bill provides that the Medical Licensing Board may not issue a physician's license to an

applicant using the reciprocity law beginning July 1, 2026.

*Behavioral Health Practitioners*– The bill eliminates certain requirements for an applicant seeking licensure as a clinical social worker, marriage and family therapist, mental health counselor, addiction counselor, or clinical addiction counselor.

*License Issuance Within 30 Days*– The bill requires the boards that regulate bachelor's degree social workers, social workers, clinical social workers, marriage and family therapists, mental health counselors, licensed addiction counselors, licensed clinical addiction counselors, and respiratory care practitioners to issue a license by reciprocity within 30 days if certain requirements are met.

*Speech-Language Pathologists and Audiologists*– The bill requires the Speech-Language Pathology and Audiology board to, before January 1, 2023, initiate and make every effort to enter into reciprocity agreements with contiguous states to enter into a reciprocity agreement for individuals licensed as:

- (1) a speech-language pathologist; and
- (2) an audiologist;

to practice the individual's profession under the license from one state in the other state.

**Effective Date:** Upon passage; July 1, 2022.

**Explanation of State Expenditures:** *Office of Medicaid Policy and Planning*– Generally, the increase of the base payment to 130% of the Medicaid rate, has reduced the amount of the outlier reimbursement under the current method of calculation. Outlier reimbursement pays for inpatient stays that exceed a monetary threshold set by the Family and Social Services Administration (FSSA). If the FSSA were to make adjustments that eliminate the negative impact of the calculation method, costs for inpatient stays will increase. Additionally, the FSSA may have a workload increase to amend the state plan amendment approved November 10, 2021, which is expected to be within their resources.

*Reciprocity*– The Professional Licensing Agency (PLA) will experience an increase in workload in FY 2022 and FY 2023 to review and amend rules for 17 health occupations' licensing boards, commissions, and committees to facilitate the common standards of licensure reciprocity established by the bill. The PLA will also require an additional workload to establish formal reciprocity agreements with bordering states for speech-language pathology and audiology licenses. If the bill results in additional practitioners with out-of-state credentials seeking employment and licensure in Indiana, the PLA may experience additional ongoing workload and administrative costs to process applications in accordance with the bill's standards for reciprocity. Additionally, the State Police Department may experience additional workload to conduct criminal history checks for license applicants in certain occupations. Because the bill invokes penalties of perjury, a Level 6 felony, for provisional license applicants who submit false information in a signed affidavit, the Department of Correction could potentially incur additional costs for incarcerating an individual convicted for this offense.

If existing staffing and resource levels are insufficient for full implementation, the additional funds and resources required could be supplied through existing staff and resources currently being used in another program or with new appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend on legislative and administrative actions.

*Behavioral Health Practitioners*– Additionally, the PLA could experience a minor increase in workload to process license applications, if the bill's elimination of certain licensure requirements for behavioral health

professionals results in additional license applicants. Any increase in behavioral health license applications is expected to be minimal.

*License Issuance Within 30 Days*– This provision may increase the workload on the PLA to process licenses on a quicker basis for social workers practicing in other states. However, any increase would likely be minimal.

*Additional Information*–

*Speech-Language Pathology and Audiology Compact*– Among Indiana's bordering states, Kentucky and Ohio have adopted the Speech-Language Pathology and Audiology Licensure Compact. If Indiana adopts the compact before January 1, 2023, the bill would only require the PLA to establish separate reciprocity agreements for these licenses with Illinois and Michigan, which have not adopted the compact nor introduced compact legislation. If Indiana does not adopt the compact prior to January 1, 2023, the bill would require the PLA to establish formal reciprocity agreements with Illinois, Kentucky, Michigan, and Ohio.

*Penalty Provision*: A Level 6 felony is punishable by a prison term ranging from 6 to 30 months, with an advisory sentence of 1 year. The sentence depends on mitigating and aggravating circumstances. Assuming offenders can be housed in existing facilities with no additional staff, the marginal cost for medical care, food, and clothing is approximately \$4,333 annually, or \$11.87 daily, per prisoner. However, any additional expenditures are likely to be small.

**Explanation of State Revenues:** *Summary*– If the bill results in additional practitioners with out-of-state credentials seeking employment and licensure in Indiana, the PLA will collect additional revenue from license fees. License fees for health professions regulated under the PLA are deposited in the General Fund and range between \$40 and \$250, typically paid biennially, depending on the occupation. Additionally, the State Police Department would collect additional General Fund revenue from the \$15 national criminal history check fee for license applicants in certain occupations. Total additional revenue from new license seekers is indeterminable but likely to be small, given that many of the licensing boards, commissions, and committees affected by the bill have already established avenues for licensure by reciprocity.

If any applicants are convicted on Level 6 felony or Class A infraction charges for submitting false information to a licensing board, there could be a small increase in revenue to the General Fund and Common School Fund from court fees and criminal fines.

*Additional Information*–

*Penalty Provision*– If additional court cases occur and fines are collected, revenue to both the Common School Fund and the state General Fund would increase. The maximum fine for a Level 6 felony is \$10,000, deposited in the Common School Fund. The maximum judgment for a Class A infraction is \$10,000, deposited in the General Fund. Revenue from court fees is also deposited in the General Fund. However, any additional revenues would likely be small.

**Explanation of Local Expenditures:** *Penalty Provision*– If more defendants are detained in county jails prior to their court hearings, local expenditures for jail operations may increase. However, any additional expenditures would likely be small.

**Explanation of Local Revenues:** *Penalty Provision*– If additional court actions occur and a guilty verdict

is entered, local governments would receive revenue from court fees. However, the amounts would likely be small.

**State Agencies Affected:** Professional Licensing Agency; State Police Department; Department of Correction; Family & Social Services Administration.

**Local Agencies Affected:** Trial courts, local law enforcement agencies.

**Information Sources:** Legislative Services Agency, *Indiana Handbook of Taxes, Revenues, and Appropriations*, FY 2021.

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