

**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 7300**

**BILL NUMBER:** HB 1462

**NOTE PREPARED:** Feb 20, 2023

**BILL AMENDED:** Feb 20, 2023

**SUBJECT:** Substance Use Plans and Hospice Treatment.

**FIRST AUTHOR:** Rep. Vermilion

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED:**  GENERAL  
 DEDICATED  
 FEDERAL

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) *Office-Based Opioid Treatment:* This bill amends the requirements for a physician to provide office based opioid treatment.

*Emergency Department:* It requires an emergency department to annually submit to the Indiana Department of Health (IDOH) a plan to initiate interventions with patients who have a substance use related emergency department visit. It also sets forth the requirements of a substance use disorder treatment plan.

*Medically Necessary:* It provides that the services provided to a patient under a substance use disorder treatment plan provided to the IDOH are considered to be medically necessary. It also provides that the Office of the Secretary of Family and Social Services (FSSA) shall require managed care organizations to consider services provided to an individual under a substance use disorder treatment plan as medically necessary in both an inpatient facility of a hospital and an emergency department.

*Hospice:* The bill provides that a practitioner is not required to obtain information about a patient from the Indiana scheduled prescription electronic collection and tracking program (INSPECT) data base or through the patient's integrated health record before prescribing certain medications if the patient is enrolled in a hospice program.

**Effective Date:** July 1, 2023.

**Explanation of State Expenditures:** (Revised) The bill will increase costs for the Medicaid program for substance use disorder treatments that would have been denied but are now medically necessary under a substance use disorder treatment plan. Managed Care Organizations (MCOs) are reimbursed on a per

member per month rate and changes in reimbursement for services under a substance use disorder treatment plan will take effect after a new contracted rate is negotiated between the FSSA and MCOs.

(Revised) *Additional Information:* In FY 2022, Medicaid denied 416 claims with total billing of \$300,000 that the place of service was an emergency room and the main diagnosis was substance use or abuse. This may be overstated to the extent that some claims may be denied, amended, and subsequently paid, and that the amount billed is not necessarily the amount allowed under Medicaid reimbursement. Conversely, the denied claims do not include services provided in the inpatient facility of the hospital.

The bill may also slightly increase the workload of the IDOH to receive the plans. [*IDOH administrative expenses are funded through the Tobacco Master Settlement Fund, a dedicated fund.*]

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** Locally owned emergency rooms will have an increased workload to develop plans for substance use disorder treatment and file the plans with the IDOH.

**Explanation of Local Revenues:** Locally owned emergency rooms may have more Medicaid reimbursement for substance use disorder treatments that are considered medically necessary under the bill.

**State Agencies Affected:** Family and Social Services, Medicaid, Indiana Department of Health.

**Local Agencies Affected:** Locally owned emergency rooms.

**Information Sources:**

**Fiscal Analyst:** Karen Rossen, 317-234-2106.