

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

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FISCAL IMPACT STATEMENT

LS 7300

BILL NUMBER: HB 1462

NOTE PREPARED: Feb 22, 2023

BILL AMENDED: Feb 22, 2023

SUBJECT: Health Matters.

FIRST AUTHOR: Rep. Vermilion

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st 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.

Maternal Mortality Review: It removes the expiration of the laws concerning maternal mortality review.

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.

The bill also removes the expiration date of June 30, 2027 for the Statewide Maternal Mortality Review Committee and the Statewide Maternal Mortality Review Coordinator under the Indiana Department of Health (IDOH). This will impact future expenses for the IDOH. *[The IDOH's administrative expenditures are currently paid from the Tobacco Master Settlement Fund, a dedicated fund.]*

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:

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