

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

**LS 6216**

**BILL NUMBER: SB 72**

**NOTE PREPARED:** Dec 3, 2025

**BILL AMENDED:**

**SUBJECT:** Coverage of Orthotic and Prosthetic Devices.

**FIRST AUTHOR:** Sen. Hunley

**BILL STATUS:** As Introduced

**FIRST SPONSOR:**

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

**IMPACT:** State & Local

**Summary of Legislation:** *Coverage:* This bill sets forth requirements for coverage of orthotic devices and prosthetic devices by a state employee health plan (SEHP), a policy of accident and sickness insurance, and a health maintenance organization contract.

*Reporting:* This bill requires, not later than October 1, 2027, the State Personnel Department (SPD), an insurer that issues a policy of accident and sickness insurance, and a health maintenance organization to submit a report to the Insurance Commissioner regarding the total number of claims and the total amount of claims paid for orthotic devices and prosthetic devices during the preceding plan year. It requires the Insurance Commissioner to: (1) aggregate the data received in the reports regarding coverage of orthotic devices and prosthetic devices; and (2) report the aggregated data, not later than December 1, 2027, to the standing committees of the House of Representatives and the Senate that consider insurance matters. It also makes corresponding changes.

**Effective Date:** July 1, 2026.

**Explanation of State Expenditures:** *Coverage:* The bill expands insurance coverage for orthotic and prosthetic devices, which will result in an indeterminate, but likely significant, increase in expenditures for the SEHP. Any increase in costs will depend on utilization of newly-covered orthotic and prosthetic devices.

*Reporting:* The bill's reporting requirements will increase workload for SPD and the 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.]*

**Additional Information:** The bill requires insurers, including the SEHP, to consider the coverage of orthotic and prosthetic devices to be essential health benefits as defined under federal law. The bill maintains utilization review for such devices but with additional requirements, as prescribed in the bill.

Under current law, the orthotic and prosthetic devices are covered under the SEHP when determined to be

medically necessary to restore or maintain the covered individual's ability to perform activities of daily living or essential job related activities when the devices are not solely for comfort or convenience. The SEHP currently excludes coverage for accessories, additions, or components used primarily for leisure or sporting activities. This bill expands the coverage for such devices when they are deemed to meet the medical needs of the covered individual regarding: 1) physical activities such as running, biking, swimming, or strength training, 2) medical needs for the purposes of showering or bathing, 3) all materials and components necessary to use the devices, 4) instruction on using the devices, and 5) medically necessary repair or replacement of the devices.

SEHP expenditures for claims in this category totaled approximately \$671,000 (a total of 4,021 devices and procedures) in FY 2025 and \$803,000 (a total of 3,919 devices and procedures) in FY 2024.

**Explanation of State Revenues:** If insurance premium collections in the state increase as the result of the bill's coverage requirements for orthotic and prosthetic devices, revenue to the state General Fund from the corporate Adjusted Gross Income Tax and the Insurance Premium Tax could increase. The Insurance Premium Tax is a 1.3% tax on gross premiums received by insurance companies. The Insurance Premium Tax generated roughly \$317.1 M in revenue during FY 2025.

**Explanation of Local Expenditures:** Local units offering health plans may have increased costs due to the bill's requirements. Any increase in costs is indeterminable and will depend on utilization of orthotic and/or prosthetic devices.

**Explanation of Local Revenues:**

**State Agencies Affected:** State Personnel Department; Department of Insurance; all state agencies.

**Local Agencies Affected:** Local units offering health plans.

**Information Sources:** Christy Tittle, SPD; Legislative Services Agency, *Indiana Handbook of Taxes, Revenues, and Appropriations*, FY 2025.

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