

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

LS 7068

BILL NUMBER: SB 282

NOTE PREPARED: Jan 22, 2026

BILL AMENDED: Jan 22, 2026

SUBJECT: Compounding Drugs; Registration of Medical Spas.

FIRST AUTHOR: Sen. Charbonneau

BILL STATUS: CR Adopted - 1st House

FIRST SPONSOR:

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) *Drug Compounding:* This bill restricts compounding of a glucagon-like-peptide-1 substance unless certain requirements are met and requires persons selling, transferring, or distributing the compounded drug to maintain specified records. It requires the Indiana Department of Health (IDOH) to prepare a report concerning the oversight of drug compounding.

Medical Spas: Beginning January 1, 2027, this bill requires the registration of medical spas under the Medical Licensing Board of Indiana (Board). It requires the Board to establish and maintain a public data base concerning registered medical spas and requires a medical spa to designate a responsible practitioner that meets certain requirements and specifies duties of the responsible practitioner. It requires a medical spa to notify the Board after a serious adverse event. It prohibits a medical spa from providing health care services and cosmetic and lifestyle treatments in a location other than the medical spa, a physician's office, or other health care facility. The bill also allows the Board to take disciplinary action, including the suspension of a medical spa registration.

Effective Date: July 1, 2026.

Explanation of State Expenditures: (Revised) *Drug Compounding:* The bill requires IDOH to work in consultation with the Medical Licensing Board, the Indiana Board of Pharmacy, the Indiana State Board of Nursing, and the Office of the Attorney General to develop and publish annually a report concerning the oversight of drug compounding, as prescribed in the bill. This requirement will increase workload for the involved agencies but can be implemented using existing staffing and resources. *[The IDOH's administrative expenditures are currently paid from the Tobacco Master Settlement Fund, a dedicated fund.]*

(Revised) *Medical Spas:* The following table presents the estimated costs to establish the proposed medical spa registry and database at the Medical Licensing Board of Indiana (Board), which is a practitioner oversight body that functions as part of the Professional Licensing Agency (PLA).

Estimated PLA Expenditures for Medical Spa Registry (Initial and Ongoing)				
Expense Category	FY 2027		FY 2028 & Subsequent Years	
	<u>Low Estimate</u>	<u>High Estimate</u>	<u>Low Estimate</u>	<u>High Estimate</u>
Existing PLA Staff Costs to Implement *	minimal	\$52,000	-	-
Registry Database Development with Web Integration and Maintenance**	\$4,250	\$7,500	\$635	\$1,500
Board Expenditures***	-	-	\$0	\$550
Miscellaneous Expenditures****	-	-	\$0	\$2,000
TOTAL NEW EXPENDITURES	\$4,250	\$7,500	\$635	\$4,050
* Estimated salary cost of existing staff to complete the medical spa registry, or if current staff cannot complete the development, the cost to hire an additional staff member to complete the development. ** Assumes about 50 hours to develop at \$85 to \$150 per hour rate of development. Ongoing maintenance expenditures are estimated at 15% to 20% of development cost annually. *** Estimate of per diem and mileage expenditures for additional meeting of the Medical Licensing Board. **** Estimated cost of reviewing				

(Revised) *Additional Information:* The Professional Licensing Agency (PLA) and the Board would have an increase in workload as a result of the bill. The PLA's workload would increase in the first year of implementation in order to establish the medical spa registry as required by the bill.

The Board's workload increase could occur beginning in the subsequent years after implementation as possible instances of unregistered medical spas may increase. However, the Board meets on average about 11 times per calendar year and would likely be able to hear the additional complaints the proposed registry may generate.

Database development would likely be a new expenditure that the PLA would incur. Total development costs would depend on whether the PLA could incorporate the new database into their existing licensing system and public license verification tool or if it is a from-scratch development. However, given the small number of potential records and four data points to be included in the registry database it is anticipated the cost would not be overly significant. The above cost estimate reflects the approach to integrate a new registry into the PLA's existing licensing database and website tool.

Explanation of State Revenues: (Revised) *Medical Spa Registry:* The bill allows the Board to fine a person that operates an unregistered medical spa up to \$5,000, which would be deposited to the state General Fund.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Indiana Department of Health; Medical Licensing Board of Indiana, Indiana Board of Pharmacy, Indiana State Board of Nursing, Professional Licensing Agency; Office of the Attorney General.

Local Agencies Affected:

Information Sources: OFMA new professional license cost estimator, FY 2026 version;
www.in.gov/pla/professions/physicians-home/medical-board.

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