

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

301 State House  
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**FISCAL IMPACT STATEMENT**

**LS 6477**

**BILL NUMBER: SB 85**

**DATE PREPARED:** Nov 24, 1998

**BILL AMENDED:**

**SUBJECT:** County jail inmate medical costs.

**FISCAL ANALYST:** Mark Bucherl, Bob Sigalow

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

**IMPACT:** State & Local

**Summary of Legislation:** This bill establishes the county jail inmate medical care fund. It allows a county to levy a property tax to pay the medical care expenses of a person confined to the county jail for a term exceeding 30 days. It provides that the property tax is outside the government levy limits. It also provides the following limits to the amount a county may levy to pay for inmate medical expenses: (1) \$1,250,000 in a county having a population of at least 100,000; (2) \$500,000 in a county having a population of at least 40,000 but less than 100,000; and (3) \$250,000 in a county having a population of less than 40,000.

This bill provides that a person confined to a county jail for a term of less than 30 days is responsible for the person's medical care expenses. It caps the amount that may be spent on an inmate's medical care expenses from the county jail inmate medical care fund. It also provides that the State pays from the Medicaid Indigent Care Trust Fund amounts for jail inmate medical care that exceed the amounts paid from a county jail inmate medical care fund.

**Effective Date:** January 1, 1999 (retroactive).

**Explanation of State Expenditures:** The state's expense for property tax replacement credits (PTRC) could be increased under this bill. PTRC is paid from the Property Tax Replacement Fund which is annually supplemented by the state General Fund. Any additional PTRC expenditures would ultimately come from the General Fund. If the counties impose a levy for the maximum amount as described below, the state would be responsible for PTRC in the amount of 20% of the new levy or \$1.548 M.

This bill provides that should lifetime medical expenditures of persons confined in jails exceed certain limits, the Medicaid Indigent Care Trust Fund would pay the excess portion. Data on the number of offenders who may exceed medical treatment limits is unavailable at this time. Most offenders are confined in county jails for terms of one year or less, although persons confined for multiple times and/or those with chronic medical conditions (e.g., confirmed AIDS, 0.5% of jail population nationally) would be more likely to exceed

treatment limits. The balance in the Medicaid Indigent Care Trust Fund as of October 1, 1998 was \$59.8 M.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** This bill provides a new means of paying for the cost of medical care for persons incarcerated for over 30 days in county jails, based on a property tax assessment. Currently, medical care in county jails is funded through the county jail budgeting and copayments by those who are incarcerated. It is reported that very few prisoners have private insurance. Medicaid coverage is rarely available for those incarcerated because eligibility is confined primarily to women and children (the majority of county jail inmates are male). Medicare is also an unlikely primary insurance source in most cases because offenders typically do not fit age and disability requirements.

**Explanation of Local Revenues:** Under this proposal, counties could establish a county jail inmate medical care fund to provide funding for the medical expenses of county jail inmates who are incarcerated for over 30 days. The fund's levy would be limited based on the county's population. Fourteen counties would qualify for a maximum levy of \$1.25 million, sixteen counties would have a \$500,000 limit, and the remaining sixty-two counties would be limited to \$250,000. There would also be a maximum rate of \$0.15 per \$100 AV. Taking the maximum rate and levy amount into consideration, the most that counties could levy under this bill is approximately \$7.740 M. The levy for this fund would not be subject to the county's maximum permissible levy.

The bill also stipulates that if actual levy collections exceed the fund levy limits, the excess is to be deposited into county general funds.

**State Agencies Affected:**

**Local Agencies Affected:** County jails.

**Information Sources:** State Budget Agency; Local Government Database; John Catey, Indiana Sheriffs Association; U.S. Department of Justice, Bureau of Justice Statistics, *HIV in Prisons and Jails, 1993*.