

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

301 State House
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FISCAL IMPACT STATEMENT

LS 7812

BILL NUMBER: SB 506

DATE PREPARED: Apr 6, 1999

BILL AMENDED: Apr 5, 1999

SUBJECT: Acupuncture licensing and continuing education for physicians and nurses.

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FUNDS AFFECTED: **GENERAL**
 DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill establishes the Acupuncture Licensing Board and directs the Health Professions Bureau to provide administrative services to the Board. The bill requires acupuncturist licenses to be renewed every two years. Acupuncturists must maintain current diplomate status with the National Certification Commission for Acupuncture and Oriental Medicine. Acupuncturists must also have a written referral or diagnosis from a licensed physician before practicing acupuncture on a patient. A licensed acupuncturist may practice auricular acupuncture on a patient for the purpose of treating alcoholism, substance abuse, or chemical dependency without a referral or diagnosis from a licensed physician.

Professing to be an acupuncturist without a license and the unlawful practice of acupuncture constitutes a Class B misdemeanor. Individuals meeting certain standards may practice auricular acupuncture on patients for the purpose of treating alcoholism, chemical dependency, or substance abuse without a license.

This bill requires the Acupuncturist Licensing Board to establish standards regarding the number of hours of education and experience an individual must possess to receive an acupuncturist license.

The bill also requires continuing education for licensed physicians and nurses.

Effective Date: July 1, 1999.

Explanation of State Expenditures: (Revised) This bill establishes an 8-member Acupuncture Licensing Board to adopt rules and oversee acupuncturist licensure in the state. Members of the board are eligible to receive a salary per diem and reimbursement of travel and other expenses involved in connection with their duties. The estimated cost to the state general fund for the board is \$10,000 in fiscal year 1998 (assuming 12 meetings), and \$5,000 in fiscal year 1999 (assuming 6 meetings).

The proposal allows for the licensure of acupuncturists. In 1998, 6 individuals who resided in Indiana were

nationally certified acupuncturists. An estimated 35 individuals may eventually apply for certification. Dentists, chiropractors, and podiatrists who want to use acupuncture must have 200 hours of acupuncture training (in addition to their other training).

The Health Professions Bureau would provide administrative support for the Acupuncture Board. The proposal should increase expenses to the Bureau by an indeterminable amount. Licenses are to be renewed every two years. In addition to personnel costs, the Bureau will also experience additional record-keeping, printing, postage, telephone, supply, and rule-making costs.

The Health Professions Bureau, which oversees the regulation of physicians and nurses, will experience an increase in expenses associated with implementing the continuing education requirements. The primary expense will involve informing practitioners of the changes in the requirements. There are currently approximately 140,000 practitioners. The Bureau will experience an increase in expenses associated with printing and postage necessary to notify practitioners and sponsors of continuing education about the continuing education requirements. Telephone expenses will also increase because of additional calls about continuing education and licensure.

Impact of the Proposal		
Expense	Fiscal Year 2000	Fiscal Year 2001
Board Expenses	\$10,000	\$5,000
Personnel	\$57,000	\$57,000
Printing	85,100	28,400
Postage	143,600	47,900
Telephone	3,000	3,000
Supplies	4,500	4,500
Total	\$303,200	\$145,800

The funds and resources required above could be supplied through a variety of sources, including the following: (1) Existing staff and resources not currently being used to capacity; (2) Existing staff and resources currently being used in another program; (3) Authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) Funds that, otherwise, would be reverted; or (5) New appropriations. As of February 26, 1999, the State Personnel Manning table listed three vacancies for the Bureau. With respect to reversions, the Bureau reverted \$223,413 in fiscal year 1998; \$214,707 in fiscal year 1997; \$244,071 in fiscal year 1996; and \$641,151 in fiscal year 1995. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions. There are no appropriations in the proposal.

Explanation of State Revenues: (Revised) Applicants for licensure are required to pay fees as established by the licensing board. This provision will generate additional revenue in acupuncture license fees. The specific increase, however, is indeterminable and will depend on the number of applications. The proposal may affect the number of applications and the amount of renewal fees that the Bureau collects for physicians and nurses. The specific impact, however, is indeterminable. Licensure fees are deposited in the State

General Fund.

With respect to violations, if additional court cases occur and fines are collected, revenue to both the Common School Fund and the State General Fund could increase. The maximum fine for a Class B misdemeanor is \$1,000. Criminal fines are deposited in the Common School Fund. If the case is filed in a circuit, superior, county or municipal court (courts of record), 70% of the \$120 court fee that is assessed and collected when a guilty verdict is entered would be deposited in the State General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the State General Fund.

Explanation of Local Expenditures: A Class B misdemeanor is punishable by up to 180 days in jail. The average daily cost to incarcerate a prisoner in a county jail is approximately \$44.

Explanation of Local Revenues: If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$120 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A \$3 fee would be assessed, and if collected would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed, and if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

State Agencies Affected: Health Professions Bureau.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: Health Professions Bureau, 232-2960; Indiana Sheriffs Association; Ed Bowman, Indiana Association of Acupuncturists (317) 638-4447; National Association of Oriental Medicine.