

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

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7812

BILL NUMBER: SB 506

DATE PREPARED: May 2, 1999

BILL AMENDED: Apr 29, 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: (CCR Amended) This 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 have a written referral or diagnosis from a licensed physician before practicing acupuncture on a patient. The Indiana Medical Licensing Board must establish standards regarding the number of hours of education and experience an individual must possess to receive an acupuncturist license.

This bill makes professing to be an acupuncturist without a license and the unlawful practice of acupuncture a Class B misdemeanor. The bill allows a licensed acupuncturist to 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. The bill also allows individuals meeting certain standards to practice auricular acupuncture on patients for the purpose of treating alcoholism, chemical dependency, or substance abuse without a license. The Acupuncture Advisory Committee to the Medical Licensing Board is established to make recommendations for licensing acupuncturists in Indiana.

Effective Date: July 1, 1999.

Explanation of State Expenditures: (Revised) 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. Licensing of acupuncturists could increase administrative expenses for the Health Professions Bureau. The funds and resources required 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.

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.