

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

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 6399**

**BILL NUMBER: HB 1124**

**DATE PREPARED:** Feb 25, 2000

**BILL AMENDED:** Feb 24, 2000

**SUBJECT:** Health Facilities.

**FISCAL ANALYST:** Alan Gossard

**PHONE NUMBER:** 233-3546

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

**IMPACT:** State

**Summary of Legislation:** (Amended) *Nursing Home Regulatory Enforcement:* This bill allows oral allegation of a breach of the law or rules governing health facilities. The bill also requires the State Department of Health (SDH) to investigate all breach allegations. The bill specifies that a penalty may be imposed for each violation or repeat of a violation. This bill also prohibits the collection from certain facilities of a fine under state law in addition to a monetary penalty under federal law.

*Quality Improvement and Education Fund:* The bill also establishes the Quality Improvement and Education Fund and requires that 50% of the fines collected for violations by nursing home be deposited in this fund.

*State Health Finance Commission:* This bill also changes the composition of the State Health Finance Commission to reflect changes in Senate committees.

*Emergency Response Policies:* This bill also requires a hospital with at least 100 beds to have in place policies governing immediate response to inpatient medical emergencies and specifies certain issues that the policies must address.

**Effective Date:** July 1, 2000; September 1, 2000.

**Explanation of State Expenditures:**

**Explanation of State Revenues:** (Revised) This bill establishes the Quality Improvement and Education Fund for the purpose of conducting education and training programs, development of best practice guidelines, and for clinical research designed to improve the quality of care provided in nursing facilities. The amount of FY99 fines deposited in the state General Fund (as of November 1999) was \$208,700. This bill provides that half of the fines collected will be deposited into the Quality Improvement and Education Fund and half into the State General Fund. Consequently, if fine collections are in amount similar to FY99,

deposits into the Quality Improvement and Education Fund will be about \$105,000 annually, while deposits into the State General Fund will be reduced by half (also in the amount of about \$105,000, annually).

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** State Department of Health

**Local Agencies Affected:**

**Information Sources:** Gerald Coleman, Indiana State Department of Health, (317) 233-7022.