

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

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7461
BILL NUMBER: HB 1551

NOTE PREPARED: Jan 12, 2003
BILL AMENDED:

SUBJECT: Health Entitlement Fund.

FIRST AUTHOR: Rep. Bischoff
FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

STATE IMPACT	FY 2003	FY 2004	FY 2005
State Revenues			
State Expenditures		15,115,000	15,115,000
Net Increase (Decrease)		(15,115,000)	(15,115,000)

LOCAL IMPACT	CY 2003	CY 2004	CY 2005
Local Revenues		15,040,000	15,040,000
Local Expenditures		15,040,000	15,040,000
Net Increase (Decrease)			

Summary of Legislation: The bill establishes the Health Entitlement Fund to be administered by the Indiana Association of Public Health Physicians and Local Health Department Organizations. It appropriates \$15,040,000 annually to the fund. The bill annually distributes from the fund \$160,000 to each local board of health and each city health department in Indiana.

Effective Date: July 1, 2003.

Explanation of State Expenditures: This bill annually appropriates \$15,040,000 from the state General

Fund to the Health Entitlement Fund, established in the bill. The Indiana Association of Public Health Physicians and Local Health Department Organizations would administer the Fund with administration costs paid by money in the Fund. The bill requires the Association to annually distribute \$160,000 to each local board of health and each city health department.

Additionally, the bill subjects handling and expenditures of moneys received from the Fund by local boards of health or city health departments to audit by the State Board of Accounts. The results of the audit would be provided to the Indiana Association of Public Health Physicians and Local Health Department Organizations. Generally, a local board of health or city health department would be audited within the county or city audit. If a separate audit is carried out for each of the 94 boards or departments, costs for the audits would be estimated at \$75,000.

Background: It is estimated that each audit would take two to three days and would cost \$50 an hour. Under current law, the State Board of Accounts may charge certain entities \$45 per day per examiner. However, this charge is not specified in the bill.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: The bill requires each city to establish a City Health Fund to receive the \$160,000 distribution. The funds in the City Health Fund may be used only to add professional and support staff to perform essential public health services, and bioterrorism, disaster, and emergency preparedness or to purchase equipment and supplies to support the additional staff.

State Agencies Affected: State Board of Accounts.

Local Agencies Affected: Local boards of health and city health departments.

Information Sources: Charles Johnson, III, State Examiner, 317-232-2524.

Fiscal Analyst: Karen Firestone, 317-234-2106