

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6764

BILL NUMBER: HB 1182

NOTE PREPARED: Feb 23, 2009

BILL AMENDED: Feb 23, 2009

SUBJECT: Health care services for county prisoners.

FIRST AUTHOR: Rep. Blanton

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill specifies reimbursement and other requirements related to the provision of health care services to certain county prisoners.

Effective Date: July 1, 2009.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: *Reimbursement for Health Care Services:* Any change in health care expenditures that counties spend on jailed inmates will depend on the arrangements that sheriffs in each county may currently have. Sheriffs with no contractual arrangements with health providers will generally be paying "billed charges" based on services rendered. These billed charges are the highest amount that the health care provider charges for supplies and services.

The bill requires counties to reimburse medical expenses incurred by certain lawfully detained individuals who either do not have private insurance or are unwilling to pay for their own health care services. The reimbursement rate paid for medical expenses depends on whether the expenses are reimbursable under the Medicare program. For medical expenses where there is a federal Medicare reimbursement rate, the county is responsible for the federal reimbursement rate plus an additional 4%. If there is no federal Medicare reimbursement rate for a medical service, the county shall reimburse the health care provider an amount equal to 65% of the amount charged for the service.

Presumably, sheriffs who do not have contractual arrangements for any type of discounted payment will pay

less than the billed charge for inmate health care and thus save money under the bill.

LSA has no data concerning any contractual arrangements that sheriffs may have with health care providers. Some arrangements may allow them to pay health care rates that are less than the formula stated in this bill. While this bill would not affect any existing contracts, any contracts effective after July 1, 2009, could not have payment rates less than what is described in this formula.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: County sheriffs.

Information Sources: Indiana Hospital Association; Steve Luce, Indiana Sheriffs Association.

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