

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7369

BILL NUMBER: HB 1501

NOTE PREPARED: Jan 7, 2013

BILL AMENDED:

SUBJECT: Companion Animal Sterilization Program.

FIRST AUTHOR: Rep. Lawson L

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill establishes the Indiana Companion Animal Sterilization Fund and the Indiana Companion Animal Sterilization Program under the administration of the Indiana State Board of Animal Health to reimburse veterinary services providers who participate in the program for furnishing spaying or neutering services with respect to a dog or cat owned or harbored by a Medicaid recipient at no charge to the Medicaid recipient. It also makes an appropriation.

Effective Date: July 1, 2013.

Explanation of State Expenditures: *Summary* - This bill requires the Board of Animal Health to conduct a program to reimburse veterinary services providers that perform spaying or neutering services for a companion animal owned or harbored by a Medicaid recipient at no charge. The bill annually appropriates \$3 M from the state General Fund to the Board of Animal Health to carry out the program.

The bill specifies that the maximum reimbursement of a spaying or neutering service before January 1, 2015, would be \$55. After January 1, 2015, the maximum reimbursement would be adjusted for inflation using the CPI-U for the Midwest Region. From 2002 through November 2012, the index grew by an annual average rate of 2.3%.

Additional Information - This bill establishes the Companion Animal Sterilization Fund and provides that the fund will consist of appropriations by the General Assembly, donations, federal grants or other federal appropriations, interest and other earnings, and money reserved for refund claims. The fund's purpose is to

reimburse veterinary services providers who perform spaying or neutering services of companion animals on behalf of Medicaid recipients. Money in the fund remaining at the end of a state fiscal year will not revert to the state General Fund.

The bill provides that the board may contract with one or more nongovernmental entities to conduct this program and/or to administer the Companion Animal Sterilization Fund (established by this bill) and process reimbursement claims by veterinary services providers. If the board contracts with an organization to administer the fund, the bill provides that the organization may not expend more than 15% of the fund annually for administrative costs.

The board may find it necessary to coordinate with the Office of Medicaid Policy and Planning and the Division of Family Resources in order to determine the Medicaid eligibility of the owner of the companion animal. Currently enrolled Medicaid providers ascertain Medicaid eligibility electronically through the enrollment contractor. Current Medicaid enrollment is approximately 1.1 million individuals and is projected to grow to 1.6 million if the federal healthcare reform act is fully implemented.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Board of Animal Health; FSSA.

Local Agencies Affected:

Information Sources:

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