

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

LS 7760

BILL NUMBER: HB 1666

NOTE PREPARED: Feb 13, 2025

BILL AMENDED: Feb 10, 2025

SUBJECT: Ownership of Health Care Providers.

FIRST AUTHOR: Rep. McGuire

BILL STATUS: As Passed House

FIRST SPONSOR: Sen. Johnson T

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: *Ownership Reports:* This bill requires reporting of certain ownership information by: (1) a health care entity to the Indiana Department of Health (IDOH); (2) a physician group practice to the Professional Licensing Agency (PLA); and (3) an insurer, a third party administrator, and a pharmacy benefit manager to the Department of Insurance (DOI). It requires a hospital to include certain ownership information in the hospital's annual fiscal report to the IDOH. It requires the PLA and the DOI to provide the ownership information to the IDOH. It requires the IDOH to post the ownership information on the IDOH website. It amends the definition of "health care entity" for provisions governing health care entity mergers and acquisitions.

Penalties: This bill sets forth penalties for a violation of the ownership reporting requirements.

Health Care Entity Merger Approval Board: This bill establishes the Health Care Entity Merger Approval Board to evaluate and approve or deny proposed mergers and acquisitions of health care entities.

Mergers and Acquisitions: It requires an Indiana health care entity that is involved in a merger or acquisition with another health care entity to provide notice to the Office of the Attorney General. (Current law specifies that this notice requirement applies to an Indiana health care entity involved in a merger or acquisition with another health care entity with total assets of at least \$10,000,000.) It allows the Office of the Attorney General to investigate the market concentration of a health care entity. It prohibits an Indiana health care entity from engaging in a merger or acquisition with another health care entity or a specified health care provider unless the health care entity has received approval from the board. It sets forth criteria for approving a health care entity merger or acquisition.

Civil Actions: This bill allows the Attorney General to bring a civil action to enforce these provisions.

Effective Date: Upon passage; July 1, 2025.

Explanation of State Expenditures: *Workload:* The bill's requirements will increase workload for the Attorney General, IDOH, PLA, DOI, Governor's Office, Legislative Council, and state owned hospitals, but

should be able to be implemented using existing staffing and resources. *[The DOI is funded through a dedicated agency fund and the IDOH's administrative expenditures are currently paid from the Tobacco Master Settlement Fund, a dedicated fund.]*

Health Care Entity Merger Approval Board: The bill establishes the Health Care Entity Merger Approval Board, to be administered by the Attorney General, to evaluate and approve or deny proposed mergers and acquisitions of health care entities. The Board is comprised of five members including the Attorney General, Secretary of Health and Family, Secretary of Business Affairs, and two members that are recommended by the Legislative Council and then appointed by the Governor. The Board will meet at the call of the chair.

Establishing the Board will result in a minimal increase in state expenditures for the Attorney General. Board members do not receive a per diem; however, members who are not state employees are entitled to reimbursement for mileage, traveling expenses, and other expenses actually incurred for participating in Board meetings. Members who are state employees are entitled to traveling expenses and other expenses actually incurred for participating in Board meetings.

Explanation of State Revenues: *Civil Actions:* The bill allows the Attorney General to bring civil actions, as prescribed in the bill, to seek civil penalties of up to \$15 M, as well as reasonable attorney's fees, expenses related to litigation, and expert fees. If additional civil cases occur and court fees are collected, revenue to the state General Fund will increase. The total revenue per case would range between \$100 and \$122. The amount deposited will vary depending on whether the case is filed in a court of record or a municipal court. The following linked document describes the fees and distribution of the revenue: [Court fees imposed in civil, probate, and small claims cases.](#)

Penalties: Entities required to submit an ownership report, as prescribed in the bill, may be charged with a fine of \$1,000 per day for violations of the bill's reporting requirement. Fines for repeated violations of the reporting requirements are to be set by the IDOH but may not exceed \$10,000. Revenue from fines would be deposited into the Payer Affordability Penalty Fund.

Explanation of Local Expenditures: The bill's requirements will increase workload for locally owned hospitals but should be able to be implemented using existing staffing and resources.

Explanation of Local Revenues: *Civil Actions:* If additional cases occur, revenue will be collected by certain local units. If the case is filed in a court of record, the county will receive \$32 and qualifying municipalities will receive a share of \$3. If the case is filed in a municipal court, the county receives \$20, and the municipality will receive \$37. The following linked document describes the fees and distribution of the revenue: [Court fees imposed in civil, probate, and small claims cases.](#)

State Agencies Affected: Attorney General; Indiana Department of Health; Professional Licensing Agency; Department of Insurance; Governor's Office; Legislative Council; state owned hospitals.

Local Agencies Affected: Locally owned hospitals; trial courts, city and town courts.

Information Sources: Indiana Supreme Court, Indiana Trial Court Fee Manual.

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