



Indiana Economic Development Corporation

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April 6, 2011

Joy A. Heim
Long Term Care Reimbursement
Office of Medicaid Policy and Planning
402 W. Washington St., Room 374
Indianapolis, IN 46204

Dear Ms. Heim:

Pursuant to IC 4-22-2-28, the Indiana Economic Development Corporation ("IEDC") has reviewed the economic impact analysis for small business associated with rule changes contained in LSA Document 10-791 and proposed by the Indiana Family and Social Services Administration ("FSSA"). The proposed rule amends 405 IAC 5-17-2 to modify the prior authorization requirements for all non-emergent inpatient hospital admissions that are not covered by Medicare.

The economic impact statement prepared by the FSSA indicates that seven hospital providers that meet the criteria of IC 4-22-2.1-4 as a small business. The proposed rule would require prior authorization for approximately 20% of the total annual Medicaid fee-for-service and managed care inpatient hospital admissions for these seven hospitals. The economic impact statement also states that because hospitals have prior authorization processes and resources already in place for non-emergent inpatient hospital admissions for other payers (including Medicaid managed care organizations), as well as for certain other Medicaid fee-for-service inpatient hospital admissions, such as psychiatric, rehabilitation, and burn cases, the OMPP estimates that any additional cost incurred by small businesses to obtain prior authorization for non-emergent Medicaid fee-for-service inpatient hospital admissions as required by this rule change will be de minimis and readily absorbed by existing hospital administrative resources.

The IEDC does not object to the economic impact to small businesses associated with the proposed rule. If you have any questions about the comments contained herein please contact me at 232-8962 or rasberry@iedc.in.gov.

Regards,

A handwritten signature in black ink, appearing to read "Ryan Asberry", written over a white background.

Ryan Asberry
Assistant Vice President