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March 6, 2015

Kimberly Crawford
Staff Attorney
FSSA – Office of General Counsel
402 W. Washington Street, Room #W451
Indianapolis, IN 46204-2243

Dear Ms. Crawford,

Pursuant to IC 4-22-2.1, the Indiana Economic Development Corporation ("IEDC") has reviewed the economic impact statement for small business associated with rule changes contained in LSA Document 14-339 proposed by the Indiana Family and Social Services Administration ("FSSA").

The proposed rule repeals 405 IAC 9 and adds 405 IAC 10 establishing provisions affecting applicants, members, and providers concerning eligibility, enrollment, benefits, and policy for the Indiana Check-Up Plan, commonly referred to as the Healthy Indiana Plan.

The economic impact statement prepared by the FSSA indicates that, in 2014, approximately 15,000 provider entities were enrolled in Medicaid, many of which had contracts with an insurer and participated in HIP. The FSSA estimates that over half of these 15,000 provider entities would likely be classified as a small business for purposes of this analysis.

According to the FSSA, providers may treat more insured patients as a result of the implementation of HIP 2.0. If a provider has capacity and chooses to accept new Medicaid patients, its cost of uncompensated care may decrease. Due to these factors, it is possible that these providers may experience increases in revenue. The FSSA indicates that these providers will also experience an increase in administrative costs by accepting new Medicaid patients, but the resulting increase in provider costs is expected to be offset by increases in revenue.

The IEDC does not object to the economic impact to small business associated with the proposed rule. If you have any questions about the comments contained herein please contact me at 317.232.8800 or eshields@iedc.in.gov.

Sincerely,

Eric Shields
Vice President