

**Economic Impact Statement**

LSA Document #07-648

**IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses**

This proposed rule document adds a new article [405 IAC 9](#) to implement the Indiana Check-Up Plan by:

1. Interpreting and implementing the provisions of [IC 12-15-44](#);
2. Ensuring the efficient, economical, medically reasonable, and quality operations of the Indiana Check-Up Plan (plan);
3. Supporting healthy behaviors and personal responsibility; and
4. Safeguarding against overutilization, fraud, abuse, and the utilization of services and supplies that are not covered under the plan or are not medically reasonable and necessary.

The plan will provide health care coverage for up to 130,000 individuals and will be operated in compliance with an approved federal Medicaid waiver and expenditure authorities and special terms and conditions established by the Department of Health and Human Services (DHHS). To the extent not expressly waived, the plan shall also be operated in compliance with Title XIX of the Social Security Act and any regulations promulgated thereunder.

**Impact on Small Businesses****1. Estimate of the number of small businesses, classified by industry sector, that will be subject to the proposed rule.**

[IC 4-22-2.1-4](#) defines a small business as any person, firm, corporation, limited liability company, partnership, or association that:

- (1) is actively engaged in business in Indiana and maintains its principal place of business in Indiana;
- (2) is independently owned and operated;
- (3) employs one hundred (100) or fewer full-time employees; and
- (4) has gross annual receipts of five million dollars (\$5,000,000) or less.

All current Medicaid providers are health care providers that are potentially eligible to participate in HIP, although such participation is voluntary. It is difficult to quantify the number of small businesses that participate as Medicaid providers because OMPP does not collect this kind of data from all providers. It is more likely than not that providers who meet the definition of "small business" will be noninstitutional (e.g., physician) rather than institutional (e.g., hospital).

In addition, small businesses may be affected if they employ individuals who participate in HIP and choose to make a contribution to the individual's POWER account. Employers are permitted to voluntarily provide up to 50 percent of the individual's POWER account contribution.

**2. Estimate of the average annual reporting, record keeping, and other administrative costs that small businesses will incur to comply with the proposed rule.**

The OMPP estimates that small businesses will incur no significant additional costs to comply with this proposed rule amendment. Those that are not enrolled in Medicaid or do not already have a contract with an insurer may incur some small, difficult to quantify costs to complete enrollment. However, participation by a health care provider in either Medicaid or HIP is voluntary so any administrative costs incurred are also voluntary. The same is likely true of small businesses employing HIP participants that choose to make contributions to POWER accounts.

**3. Estimate of the total annual economic impact that compliance with the proposed rule will have on all small businesses subject to the rule.**

Since no small business will incur any significant additional cost to comply with this rule amendment, there is no annual economic impact on small businesses due to compliance.

**4. Statement justifying any requirement or cost that is imposed on small businesses by the rule; and not expressly required by the statute authorizing the agency to adopt the rule; or any other state or federal law.**

The rule amendment imposes no additional cost or requirements on small businesses.

**5. Regulatory Flexibility Analysis**

Other factors considered:

**A. Establishment of less stringent compliance or reporting requirements for small businesses.**

The rule amendment has no impact on reporting requirements for small businesses.

**B. Establishment of less stringent schedules or deadlines for compliance or reporting requirements for small businesses.**

The rule amendment has no impact on schedules or deadlines for compliance or reporting for small businesses.

**C. Consolidation or simplification of compliance or reporting requirements for small businesses.**

The rule amendment has no impact on schedules or deadlines for compliance or reporting for small businesses.

**D. Establishment of performance standards for small businesses instead of design or operational standards imposed on other regulated entities by the rule.**

The rule amendment has no impact on performance standards for small businesses.

**E. Exemption of small businesses from part or all of the requirements or costs imposed by the rule.**

The rule amendment imposes no additional cost or requirements on small businesses.

**Conclusion**

The OMPP estimates that there will be no annual economic impact that compliance with the proposed rule will have on small businesses.

*Posted: 03/19/2008 by Legislative Services Agency*

An [html](#) version of this document.