

**Economic Impact Statement**  
LSA Document #08-186

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

This Medicaid reimbursement rule amendment is necessary to address inpatient hospital reimbursement when blood factor products are used during inpatient hospital stays. The cost for blood factor products can be several times higher than the reimbursement for the inpatient hospital stay. Under this amendment, the Office of Medicaid Policy and Planning (OMPP) will adopt a similar methodology to Medicare's and reimburse these services separately from the inpatient hospital service, with a Medicaid computed allowable that will more closely reflect the provider's cost of the blood factor products.

Blood factor products used during an inpatient hospital stay will be paid based on the state maximum allowable cost (state MAC) rate for the blood factor products. The state MAC rate for blood factor products will be equal to the average actual acquisition cost (AAC) per drug adjusted by a multiplier of at least 1.0. The actual acquisition cost will be determined using pharmacy invoices and other information. The OMPP will review the state MAC rates for blood factor products on an ongoing basis and adjust the rates as necessary to reflect the prevailing market conditions and to ensure reasonable access by providers to blood factor products at or below the applicable state MAC rate.

**Impact on Small Business**

This rule will not have an impact on small businesses, as defined in [IC 4-22-2.1-4](#). By amending the rule, acute care hospitals that use blood factor products during a Medicaid inpatient hospital stay will receive a higher level of Medicaid reimbursement.

The following section provides responses to the following questions outlined in [IC 4-22-2.1-5](#):

**1. An estimate of the number of small businesses, classified by industry sector, that will be subject to the proposed rule.**

Of the approximately 160 Medicaid participating hospitals, none are believed to be small businesses.

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

None.

**3. An estimate of the total annual economic impact that compliance will have on small businesses subject to the rule.**

None.

**4. A statement justifying any requirement or cost that is imposed by the rule and not expressly required by law. The statement must reference any data, studies, or analyses relied upon by the agency in determining imposition of the requirement or cost is necessary.**

This rule imposes no cost or requirements on small businesses.

**5. Any regulatory flexibility analysis that considers any less intrusive or less costly alternative methods of achieving the same purpose.**

Since no small businesses are impacted by this rule, completing a regulatory flexibility analysis is not necessary.

**Conclusion**

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

*Posted: 06/11/2008 by Legislative Services Agency*

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