

**Economic Impact Statement**

LSA Document #08-423

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

The Indiana State Department of Health (ISDH) has responsibility for the licensure and regulation of acute care facilities (hospitals) under [IC 16-21](#). About 144 hospitals are licensed to provide acute care.

This proposed rule amends the current hospital licensure rule. This proposed rule amendment clarifies that a physician's verbal order in a hospital must be authenticated within 48 hours of its issuance or a repeat and verify process must be used and the verbal order must be authenticated by the physician not later than 30 days after the patient's discharge. The proposed amendment clarifies what the rule already stated when the rule is read in its entirety. This proposed language will make a clarification that meets the Centers for Medicare and Medicaid Services (CMS) guidance issued on this issue.

**Economic 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.

No hospitals licensed by the ISDH have gross annual receipts, as reported to us on the annual Hospital Fiscal Report, of five million dollars or less. Therefore there are no hospitals licensed by the ISDH that meet the definition of a small business.

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

No hospitals licensed by the ISDH have gross annual receipts, as reported to us on the annual Hospital Fiscal Report, of five million dollars or less. Therefore there are no hospitals licensed by the ISDH that meet the definition of a small business.

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

No hospitals licensed by the ISDH have gross annual receipts, as reported to us on the annual Hospital Fiscal Report, of five million dollars or less. Therefore there are no hospitals licensed by the ISDH that meet the definition of a small business.

**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 proposed rule does not impose any requirement on a small business.

**5. Regulatory Flexibility Analysis**

Other factors considered:

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

There are no hospitals licensed by the ISDH that meet the definition of a small business.

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

There are no hospitals licensed by the ISDH that meet the definition of a small business.

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

There are no hospitals licensed by the ISDH that meet the definition of a small business.

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

There are no hospitals licensed by the ISDH that meet the definition of a small business.

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

There are no hospitals licensed by the ISDH that meet the definition of a small business.

**Conclusion**

The proposed rule affecting hospitals has no impact on small business since there are no hospitals licensed by the ISDH that meet the definition of a small business.

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