

**Economic Impact Statement**  
LSA Document #08-932

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

LSA Document #08-932 amends [407 IAC 3-7-1](#) to remove limitations in the Children's Health Insurance Program (CHIP) for the coverage of inpatient mental health and substance abuse services not covered when provided in an institution for mental diseases with more than 16 beds, outpatient mental health and substance abuse services, and community mental health rehabilitation services (Medicaid rehabilitation option). The document also amends [407 IAC 3-13-1](#) to remove limitations in CHIP coverage for case management services for mentally ill and emotionally disturbed individuals and services provided in inpatient mental health facilities (other than acute care hospitals) with more than 16 beds. Finally, the document also repeals [407 IAC 3-2](#). This rule will not have an impact on small businesses, as defined in [IC 4-22-2.1-4](#), since none of the mental health providers would qualify as a small business.

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.**

[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.

None of the mental health providers meet the requirements of a small business.

**(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.**

No small business will incur any additional costs.

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

There is no annual economic impact on small businesses.

**(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.**

The rule amendment imposes no additional 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.

*Posted: 06/03/2009 by Legislative Services Agency*  
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