

Economic Impact Statement

LSA Document #09-262

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

LSA Document #09-262 adds [405 IAC 2-3.2](#) to set forth the period of Medicaid presumptive eligibility, the process for application of benefits due to presumptive eligibility, services available to persons determined covered by presumptive eligibility, limitations on appeal rights related to presumptive eligibility, and other general requirements for defining and administering a presumptive eligibility program. Participating in the presumptive eligibility program as a qualified provider is voluntary. Costs for small businesses affected by the rule will be offset by access to Medicaid reimbursement for providing prenatal care to pregnant women during their period of presumptive eligibility. Without the rule, Medicaid reimbursement during this period of time is only available retroactively if the woman is determined Medicaid eligible.

Economic Impact on Small Businesses**1. Estimated Number of Small Businesses Subject to this 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.

The qualified providers eligible to make presumptive eligibility determinations will include physician offices, nurse practitioner offices, clinics and other providers. The Office of Medicaid Policy and Planning (OMPP) anticipates that many qualified providers will meet the definition of a small business set forth in [IC 4-22-2.1-4](#). However, because participation as a qualified provider will be voluntary, it is difficult to estimate the number of small businesses that will elect to become qualified providers and will thus be impacted by this rule.

2. Estimated Average Annual Reporting, Record Keeping, and Other Administrative Costs That Small Businesses Will Incur:

Physicians and other providers are not required to become qualified providers—applying to become a qualified provider is voluntary. For small businesses that elect to become qualified providers, OMPP estimates that the small businesses will incur minor additional administrative expenses in performing presumptive eligibility determinations. These additional expenses will be much less than \$500,000 and will be associated with application and training to become a qualified provider, training staff, educating patients about the program, and assisting patients with the presumptive eligibility application.

3. Estimated Total Annual Economic Impact on Small Businesses to Comply:

When a pregnant woman becomes presumptively eligible for Medicaid, her ambulatory prenatal health care will be covered by Medicaid. Costs to the small businesses affected by the rule will therefore be offset by access to reimbursement for providing prenatal care to pregnant women during their period of presumptive eligibility.

4. Justification Statement of Requirement or Cost:

It can take up to 45 days after filing a Medicaid application for a pregnant woman to become eligible for Medicaid and gain access to needed health care coverage. By creating a presumptive eligibility program for pregnant women that covers ambulatory prenatal care while a Medicaid application is pending, the proposed rule is intended to improve access to early prenatal care. Early prenatal care has been shown to improve pregnancy outcomes.

5. Regulatory Flexibility Analysis:

In HEA 1678, OMPP was directed by the state legislature to apply for approval from the Department of Health and Human Services as necessary to provide presumptive eligibility in Medicaid for pregnant women and, once obtained, implement the program change. There is no less intrusive or less costly alternative to achieve the purpose of the rule. The federal Medicaid rules outline the requirements of a presumptive eligibility program and require that qualified providers make the eligibility determination. OMPP is not requiring all Medicaid providers to become qualified providers. Becoming a qualified provider is voluntary. Further, OMPP has drafted the rule and will implement the program to minimize administrative costs for small businesses. For example, OMPP has created an online application and will not require qualified providers to gather supporting documentation from applicants.

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