

**Economic Impact Statement**  
LSA Document #10-65**IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses**

This memo is submitted in accordance with 4-22-2.1. This rule increases the quality assessment fee paid by nursing facilities that became nonstate government owned or operated after July 1, 2003. Through the operation of existing approved reimbursement formula, Medicaid payment to these nursing facilities will also increase due to the increase in quality assessment fee paid by the nursing facilities that became nonstate government owned or operated after July 1, 2003. Specifically, this rule change requires the quality assessment fee paid by nursing facilities that became nonstate government owned or operated after July 1, 2003, to be increased from two dollars and fifty cents (\$2.50) per non-Medicare day to ten dollars (\$10) per non-Medicare day. As the quality assessment fee is an allowable cost, the quality assessment fee add-on component of the Medicaid rate paid to the nursing facility will also increase. There are currently 19 Indiana nursing facilities that are affected by this change.

Additionally, this rule amendment conforms the definition of a continuing care retirement facility qualifying for an exemption of the quality assessment fee with P.L.182-2009(ss), SECTION 486(f)(1).

**Impact on Small Business**

This rule will not have an impact on small businesses, as defined in [IC 4-22-2.1-4](#). The nursing facilities impacted by this rule are owned and operated by nonstate government entities.

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.**

None.

**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.**

There are no small businesses that are expected to incur reporting, record keeping, and other administrative costs.

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

Since there are no small businesses that will be impacted by this rule, there will be no economic impact (positive or negative) 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.**

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.

If there are any programmatic or fiscal questions, please contact Faith Laird at (317) 232-7123 or at [faith.laird@fssa.in.gov](mailto:faith.laird@fssa.in.gov). Questions regarding any other aspect of the proposed changes should be addressed to Kevin Wild at (317) 233-2582 or at [kevin.wild@fssa.in.gov](mailto:kevin.wild@fssa.in.gov).

Please contact Kevin Wild at (317) 233-2582 or at [kevin.wild@fssa.in.gov](mailto:kevin.wild@fssa.in.gov) regarding IEDC's comments about this rule amendment. The public hearing will be scheduled after receiving authorization from Legislative Services Agency to do so. Mr. Wild will then contact you to provide the date of the hearing for your convenience.

*Posted: 08/25/2010 by Legislative Services Agency*

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