

**Economic Impact Statement**  
LSA Document #15-70

**IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses****Impact on 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 5-28-2-6](#) defines a small business as a business entity that satisfies the following requirements:

- (1) On at least fifty percent (50%) of the working days of the business entity occurring during the preceding calendar year, the business entity employed not more than one hundred fifty (150) employees.
- (2) The majority of the employees of the business entity work in Indiana.

Family and Social Services Administration (FSSA) Office of Medicaid Policy and Planning (OMPP) currently has an estimated 25,416 enrolled in-state providers. It is estimated that 21,740 small businesses are enrolled providers. The proposed rule is applicable to all small businesses who are enrolled providers.

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

While the proposed rule is applicable to all small businesses who are enrolled providers that submit Medicaid prior authorization request forms (PA requests), the proposed rule imposes no additional requirements or administrative costs on small businesses. The proposed rule will allow providers that are small businesses to submit signed PA requests electronically as an additional means of authentication for PA requests.

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

The FSSA – OMPP estimates that there will be no economic impact on small businesses to comply with the proposed rule. The proposed rule will allow providers that are small businesses to submit signed PA requests electronically as an additional means of authentication for PA requests. It does not impose any new compliance requirements.

**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 proposed rule imposes no additional requirements or administrative costs on small businesses. The proposed rule will allow providers that are small businesses to submit signed PA requests electronically as an additional means of authentication for PA requests. It does not impose any new compliance requirements.

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

The FSSA – OMPP did not perform any regulatory flexibility analysis. The proposed rule imposes no additional requirements or administrative costs on small businesses, and thus there are no less intrusive or less costly alternative methods to be considered. The proposed rule will allow providers that are small businesses to submit signed PA requests electronically as an additional means of authentication for PA requests.

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

The FSSA – OMPP did not consider establishing less stringent compliance or reporting requirements for small businesses. The proposed rule does not have an impact on reporting requirements. The proposed rule removes the administrative requirement limiting signatures on PA requests to original signatures or copies and amends the rule to permit electronic signatures. An electronic signature will allow a provider to "sign" a PA request online and transmit it electronically to the FSSA – OMPP's contractor for processing. The proposed rule implements an additional option for compliance with current requirements.

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

The proposed rule has no impact on schedules or deadlines for compliance or reporting requirements for small businesses.

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

The proposed rule does not increase compliance or reporting requirements for small businesses. The proposed rule implements an additional option for compliance with current requirements.

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

The proposed rule has no impact on performance or operational standards for small businesses.

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

The proposed rule imposes no additional requirements or administrative costs on small businesses.

The proposed rule will allow providers that are small businesses to submit signed PA requests electronically as an additional means of authentication for PA requests.

If there are any programmatic or fiscal questions, please contact Erin Walsh at (317) 233-1662 or at [erin.walsh@fssa.in.gov](mailto:erin.walsh@fssa.in.gov). Questions regarding any other aspect of the proposed rule should be addressed to Leslie Huckleberry at (317) 232-1246 or at [leslie.huckleberry@fssa.in.gov](mailto:leslie.huckleberry@fssa.in.gov).

*Posted: 08/19/2015 by Legislative Services Agency*

An [html](#) version of this document.