

**Economic Impact Statement**  
LSA Document #17-130

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

The Family and Social Services Administration (FSSA) Office of Medicaid Policy and Planning (OMPP) proposes to:

1. Amend [405 IAC 1-4.2-4](#) to extend through June 30, 2019, the three percent (3%) rate reduction for covered home health agency (HHA) services that is currently set to expire on June 30, 2017.
2. Amend [405 IAC 1-8-3](#) to extend through June 30, 2019, the three percent (3%) rate reduction for covered outpatient hospital services that is currently set to expire on June 30, 2017.
3. Amend [405 IAC 1-10.5-6](#) to extend through June 30, 2019, the three percent (3%) rate reduction for covered inpatient hospital services that is currently set to expire on June 30, 2017.
4. Amend [405 IAC 1-14.6-26](#) to extend through June 30, 2019, the three percent (3%) rate reduction for covered nursing facilities that is currently set to expire on June 30, 2017.

**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.

The OMPP estimates the number of businesses that are Medicaid certified and meet the criteria of a small business to be as follows:

Rate Reductions:

- a. HHAs – 207 out of 212 Indiana providers
- b. Outpatient Hospitals – 5 out of 145 Indiana providers
- c. Inpatient Hospitals – 10 out of 165 Indiana providers
- d. NFs – 21 out of 500 Indiana 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.**

The proposed rule amendment will not impose any additional annual reporting, record keeping, or other administrative costs on small businesses in order to comply with the proposed rule.

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

Since no small businesses will incur any additional cost to comply with this rule, there is no economic impact that compliance will have on a small business subject to this rule.

**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 amendment will not impose any requirement or cost on small businesses in order to comply with the proposed rule. The proposed rule is necessary in order to remain within the available Medicaid appropriation under the state budget.

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

Other factors considered:

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

The rule has no impact on reporting requirements for small businesses.

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

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

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

The 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.**

In order for the Indiana Medicaid program to remain within available Medicaid appropriation, small businesses cannot be exempt from the rate reduction extension implemented by this proposed rule.

If there are any programmatic or fiscal questions, please contact Chris Fletcher at (317) 234-4753 or at [chris.fletcher@fssa.in.gov](mailto:chris.fletcher@fssa.in.gov). Questions regarding any other aspect of the proposed changes should also be addressed to Leslie Huckleberry at (317) 232-1246 or at [leslie.huckleberry@fssa.in.gov](mailto:leslie.huckleberry@fssa.in.gov).

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