

**Economic Impact Statement**  
LSA Document #17-552

**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 1-8-5](#) to extend the outpatient hospital assessment fee to June 30, 2019, in accordance with 2017 House Enrolled Act (HEA) 1001 (P.L. 217-2017), remove the outpatient hospital adjustment factors, and remove the 6-month minimum time period for changes to the adjustment factors.
- (2) Amend [405 IAC 1-10.5-7](#) to extend the inpatient hospital assessment fee to June 30, 2019, in accordance with 2017 House Enrolled Act (HEA) 1001 (P.L. 217-2017), remove the inpatient hospital adjustment factors, and remove the 6-month minimum time period for changes to the adjustment factors.
- (3) Amend [405 IAC 1-14.6-7](#) to modify the Medicaid reimbursement rule for covered nursing facility services by extending to June 30, 2019, the SCU add-on, the quality rate add-on, and forgoing the application of the 3.3% inflation reduction factor that is set to expire on June 30, 2017.
- (4) Amend [405 IAC 1-14.6-9](#) to modify the Medicaid reimbursement rule for covered nursing facility services by extending to June 30, 2019, the increased profit add-on percentages and overall rate ceilings that are set to expire on June 30, 2017.
- (5) Amend [405 IAC 1-14.6-18](#) to modify the Medicaid reimbursement rule for covered nursing facility services by extending to June 30, 2019, the increased owner, related party, and management compensation limits that are set to expire on June 30, 2017.
- (6) Amend [405 IAC 1-14.6-24](#) to modify the Medicaid reimbursement rule for covered nursing facility services by extending to June 30, 2019, the quality assessment fee that is 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:

Hospitals: The FSSA – OMPP estimates that out of a total of 145 Indiana providers subject to the proposed rule, there are 9 Indiana providers that are Medicaid certified, and 1 Indiana provider that is not Medicaid certified, that meet the criteria of a small business.

Nursing Facilities: The FSSA – OMPP estimates that out of a total of 494 Indiana providers subject to the proposed rule, there are 35 Indiana providers that are Medicaid certified that meet the criteria of a small business.

**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 extends the hospital assessment fee and nursing facility quality assessment fee in accordance with state law and does 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.**

The proposed rule amendment extends the hospital assessment fee and nursing facility quality assessment fee in accordance with state law. Because 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 imposes no requirement or cost on small businesses that is not required by law. The hospital assessment fee and nursing facility quality assessment fee are expressly required by Indiana law.

**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 proposed rule amendment extends the hospital assessment fee and nursing facility quality assessment fee that are already in place and imposes no new compliance or reporting requirements for small businesses.

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

The proposed rule amendment extends the hospital assessment fee and nursing facility quality assessment fee that are already in place and imposes no new 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 amendment extends the hospital assessment fee and nursing facility quality assessment fee that are already in place and imposes no new 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.**

The rule imposes no new requirements or cost on small businesses.

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 be addressed to Jeremy Hoffman at (317) 234-6579 or at [jeremy.hoffman@fssa.in.gov](mailto:jeremy.hoffman@fssa.in.gov).

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