

Economic Impact Statement

LSA Document #18-482

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

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

- (1) Amend [405 IAC 5-24-4](#) to make corrections to clarify terminology relating to the reimbursement of legend drugs.
- (2) Amend [405 IAC 5-24-5](#) to make corrections related to the reimbursement of nonlegend drugs.
- (3) Amend [405 IAC 5-24-6](#) to make corrections relating to the professional dispensing fee for legend and nonlegend drugs.
- (4) Amend [405 IAC 5-24-7](#) to make corrections relating to the copayment for legend and nonlegend drugs.

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 that out of a total of 1,167 Medicaid-enrolled providers in Indiana that are impacted by these changes, there are 199 providers that may meet the criteria of a small business. Impacted providers are Medicaid-enrolled pharmacies.

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 clarifies terminology and makes corrections relating to the reimbursement of nonlegend drugs and the professional dispensing fee for legend and nonlegend drugs. These changes bring the administrative rules into conformity with federal regulations and current Medicaid reimbursement policy and do 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 brings the administrative rules into conformity with federal regulations and current Medicaid reimbursement policy. There is no economic impact that compliance will have on small businesses subject to this rule, since no small businesses will incur any additional cost to comply with this rule. The professional dispensing fee currently listed in the rule was never implemented due to CMS approval so there will not be a loss to applicable pharmacies.

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 brings the administrative rules into conformity with federal regulations and current Medicaid reimbursement policy. The proposed rule amendment will not impose any requirement or cost on small businesses in order to comply with the proposed rule.

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 imposes no new 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 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 Donna Wright at (317) 234-1593 or at donna.wright@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.

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