

**Economic Impact Statement**

LSA Document #18-375

**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 5-27-1](#) to update definitions and terminology.
- (2) Amend [405 IAC 5-27-2](#) to clarify service limitations for radiologic procedures and update definitions and terminology.
- (3) Amend [405 IAC 5-27-3](#) to update definitions and terminology and revise reimbursement policy for computerized tomography scans.
- (4) Amend [405 IAC 5-27-6](#) to update terminology and revise reimbursement policy for sonography procedures.
- (5) Add [405 IAC 5-27-7](#) to implement reimbursement and prior authorization policy for positron emission tomography scans.
- (6) Add [405 IAC 5-27-8](#) to implement reimbursement and prior authorization policy for interventional radiology procedures.
- (7) Add [405 IAC 5-27-9](#) to implement reimbursement policy for magnetic resonance imaging.

**Impact on Small Businesses**

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 1,870 Medicaid-enrolled providers in Indiana that are impacted by these changes, there are 1,364 providers that may 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 revises Medicaid reimbursement policy for computerized tomography scans and sonography procedures, implements Medicaid reimbursement and prior authorization policy for positron emission tomography scans and interventional radiology procedures, implements Medicaid reimbursement policy for magnetic resonance imaging, clarifies service limitations for radiologic procedures, and updates definitions and terminology. Impacted providers may incur minimal cost associated with obtaining prior authorization. The proposed rule does not otherwise 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 revises Medicaid reimbursement policy for computerized tomography scans and sonography procedures, implements Medicaid reimbursement and prior authorization policy for positron emission tomography scans and interventional radiology procedures, implements Medicaid reimbursement policy for magnetic resonance imaging, clarifies service limitations for radiologic procedures, and updates definitions and terminology. Impacted providers may incur minimal cost associated with obtaining prior authorization. There is otherwise no economic impact that compliance will have on small businesses 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 revises Medicaid reimbursement policy for computerized tomography scans and sonography procedures, implements Medicaid reimbursement and prior authorization policy for positron emission tomography scans and interventional radiology procedures, implements Medicaid reimbursement policy for magnetic resonance imaging, clarifies service limitations for radiologic procedures, and updates definitions and terminology. Impacted providers may incur minimal cost associated with obtaining prior authorization. The proposed rule amendment will not otherwise 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.**

Impacted providers must obtain prior authorization for services. The rule imposes no other compliance or reporting requirements for small businesses.

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

Impacted providers must obtain prior authorization for services. The rule has no other 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.**

Impacted providers must obtain prior authorization for services. The rule imposes no other 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.**

Impacted providers may incur minimal cost associated with obtaining prior authorization. The rule imposes no other requirements or cost on small businesses.

If there are any programmatic or fiscal questions, please contact Michael Cook at (317) 232-7050 or at [michael.cook@fssa.in.gov](mailto:michael.cook@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).

*Posted: 07/03/2019 by Legislative Services Agency*

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