



VIA EMAIL

March 6, 2020

Ms. Kelly MacKinnon, JD
Deputy Director, Office of Legal Affairs
Indiana State Department of Health
2 North Meridian Street
Indianapolis, Indiana 46204
Sent via email to kmackinnon@isdh.in.gov

Re: LSA Document # 19-685/Economic Impact Statement

Ms. MacKinnon,

Pursuant to Indiana Code § 4-22-2.1-6, the Indiana Economic Development Corporation (IEDC) has reviewed the proposed rule and economic impact statement for small businesses associated with the proposed regulations from the Indiana State Department of Health (ISDH) contained in LSA Document #19-685.

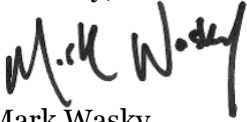
The proposed rule establishes the administrative framework to implement the certificate of need program for comprehensive care health facilities. The rule establishes an application fee for the program of \$5,000.00 per applicant to “defray the cost of administering the program.” There are no ongoing reporting or compliance requirements that could impose additional impacts on small businesses.

The economic impact statement prepared by ISDH states “the largest cost for ISDH in administering this program is the staff time needed to operate the program.” ISDH indicates it consulted with representatives of the businesses impacted by the proposed rule before making its determination on the application fee. The rate established in LSA Document #19-685, ISDH was set to “help defray the costs of implementing the program . . . but . . . not too high to be prohibitive to applicants.” Further, while the fee is not statutorily required and therefore small businesses could be exempted from this requirement, the administrative burden on ISDH under the program “will be the same irrespective of the size of the business, so the fee is the same for all applicants.”

The statement indicates that approximately 20 of the 550 comprehensive health care facilities in Indiana that could be impacted by this rule are considered a small business as defined in Indiana Code § 5-28-2-6. The program does require these small businesses to pay a fee to ISDH if they want to apply for a certificate of need; however, the economic impact statement states the fee will only be assessed if the business applies for a certificate. Additionally, “projects subject to this regulation will likely cost millions of dollars, making the \$5,000 a relatively small portion of the cost to the regulated entities for these projects.”

Based upon the IEDC's review of the proposed rule and the economic impact statement prepared by ISDH, the IEDC has no further comments or recommendations for the proposed rule due to its impact on small businesses if ISDH's conclusion reflects the actual result after promulgation. If you have any questions about these comments, please contact Kate Colclazier, manager regulatory affairs and small business ombudsman at KColclazier@iedc.IN.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "M. Wasky". The signature is stylized with a large "M" and a long, sweeping underline.

Mark Wasky
Vice President
Innovation & Strategic Initiatives

CC: Kate Colclazier, Manager, Regulatory Affairs & Small Business Ombudsman