DELBERT HOSEMANN
Secretary of State

ECONOMIC IMPACT STATEMENT

An Economic Impact Statement is required for this proposed rule by Section 25-43-3.105 of the Administrative Procedures Act. An Agency is encouraged to use as much space as will adequately answer all questions. A PDF version of this executed Form must be filed with any proposed rule, if required by the aforementioned statute.

AGENCY NAME Division of Medicaid	CONTACT PERSON Kristi Plotner		TELEPHONE NUMBER 601-359-6698
ADDRESS 550 High Street 1000	CITY Jackson	STATE MS	ZIP 39201
EMAIL Kristi.Plotner@medicaid.ms.gov	DESCRIPTIVE TITLE OF PROPOSED RULE Administrative Code Title 23: Division of Medicaid Part 202 Hospital Services, Chapter 2 Outpatient Services, Rule 2.3 Emergency Room Outpatient Visits		

Specific Legal Authority Authorizing the promulgation of Rule: 43-13-117 (A) (2) (c) 42 CFR § 440.230; 42 CFR § 447.204	Reference to Rules repealed, amended or suspended by the Proposed Rule: 43-13-117 (A) (2)

1. Describe the need for the proposed action: Required by State Law

2. Describe the benefits which will likely accrue as the result of the proposed action: Reducing administrative burden on hospitals and DOM and rewarding hospitals who reduce costs

3. Describe the effect the proposed action will have on the public health, safety, and welfare: improved quality of health care delivery.

4. Estimate the cost to the agency and to any other state or local government entities, of implementing and enforcing the proposed action, including the estimated amount of paperwork, and any anticipated effect on state or local revenues: Expected to be a total cost savings of $33million in FY 2013 and $39 million in FY 2014; decreased administrative burden; no known effect on state or local revenues

5. Estimate the cost or economic benefit to all persons directly affected by the proposed action: Same as #4; beneficiary access to healthcare will not be impacted

6. Provide an analysis of the impact of the proposed rule on small business: According to DOM's analysis, hospitals are not considered to fall under the definition of a small business, therefore this question does not apply

a. Identify and estimate the number of small businesses subject to the proposed regulation:

b. Provide the projected reporting, recordkeeping, and other administrative costs required for compliance with the proposed regulation, including the type of professional skills necessary for preparation of the report or record:

c. State the probable effect on impacted small businesses:

d. Describe any less intrusive or less costly alternative methods of achieving the purpose of the proposed regulation including the following regulatory flexibility analysis:

   i. The establishment of less stringent compliance or reporting requirements for small businesses;
   ii. The establishment of less stringent schedules or deadlines for compliance or reporting requirements for small businesses;
   iii. The consolidation or simplification of compliance or reporting requirements for small businesses;
   iv. The establishment of performance standards for small businesses to replace design or operational standards required in the proposed regulation; and
   v. The exemption of some or all small businesses from all or any part of the requirements contained in the proposed regulations:

7. Compare the costs and benefits of the proposed rule to the probable costs and benefits of not adopting the proposed rule or significantly amending an existing rule: The costs under the proposed rule are reduced and the administrative burden reduced for both DOM and hospitals.

8. Determine whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rule where reasonable alternative methods exist which are not precluded by law: No other methods exist and this change was prescribed by State Law.

9. Describe reasonable alternative methods, where applicable, for achieving the purpose of the proposed action which were considered by the agency: There were no alternative methods to move from cost-to-charge ratio for reimbursement methodology for outpatient hospital claims.

10. State reasons for rejecting alternative methods that were described in #9 above: None noted

11. Provide a detailed statement of the data and methodology used in making estimates required by this subsection: Outpatient Medicaid claims for six months were analyzed and run through the APC for a simulation of payments under the APC payment methodology. The resulting APC payments for each hospital individually and all hospitals in total, were compared to corresponding payments under the cost-to-charge ratio.

SIGNATURE	TITLE Executive Director
DATE 8/28/12	PROPOSED EFFECTIVE DATE OF RULE November 1, 2012