



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 Economic Impact Statement must be attached to this Form and address the factors below. A **PDF** document containing this executed Form and the Economic Impact Statement must be filed with any proposed rule, if required by the aforementioned statute.

AGENCY NAME Mississippi State Department of Health	CONTACT PERSON Mike Lucius	TELEPHONE NUMBER 601-576-7847
ADDRESS PO Box 1700/570 E Woodrow Wilson Blvd.	CITY Jackson	STATE MS
EMAIL Mike.Lucius@msdh.state.ms.us	DESCRIPTIVE TITLE OF PROPOSED RULE Minimum Standards Of Operation Prescribed Pediatric Extended Care (PPEC) Centers	
Specific Legal Authority Authorizing the promulgation of Rule: Section 43-13-117	Reference to Rules repealed, amended or suspended by the Proposed Rule: New Rule	

SIGNATURE 	TITLE Deputy State Health Officer/Chief Administrative Officer
DATE 9-5-12	PROPOSED EFFECTIVE DATE OF RULE 30 days after filing

1. Describe the need for the proposed action:

Currently, medically and technologically dependent children are being housed in acute care settings, are being cared for by private-duty nursing/staffing support systems or are subjected to frequent repeat hospital admissions in order to receive the necessary care and treatments. This action allows the establishment of a medically safe, cost effective, least restrictive alternative to care for the medically and technologically dependent children in our state. The regulations provide criteria for licensing, and establish the parameters to assure safe and quality care for children served by these centers.

2. Describe the benefits which will likely accrue as the result of the proposed action:

This action allows the establishment of a medically safe, cost effective, least restrictive alternative to care for the medically and technologically dependent children in our state. The regulations provide criteria for licensing and establish the parameters to assure safe and quality care for children served by these centers. Benefits of these regulations include but are not limited to: a one-stop center for care where a team of healthcare professionals evaluate the mental, physical, developmental, psychological and educational needs of the child/family and coordinate care and services to assure that such needs are met. The regulations are designed to assure that such care is provided in a safe, sanitary environment by qualified, trained personnel, to improve coordination of services, continued education and support for parents/caregivers, better nutrition and food safety for children, safer transportation of children, and better protection of children from disease.

3. Describe the effect the proposed action will have on the public health, safety, and welfare:

This action will improve the healthcare and quality of life for the medically and technologically dependent children in our state. It allows for the establishment of a medically safe, cost effective, least restrictive alternative to care for the medically and technologically dependent children in our state. The regulations provide criteria for licensing and establish the parameters to assure safe and quality care for children served by these centers. Benefits of these regulations include, but are not limited to, a one-stop center for care where a team of healthcare professionals evaluate the mental, physical, developmental, psychological and educational needs of the child/family and coordinate care and services to assure that such needs are met. The regulations are designed to assure that such care is provided in a safe, sanitary environment by qualified, trained personnel, to improve coordination of services, continued education and support for parents/caregivers, better nutrition and food safety for children, safer transportation of children, and better protection of children from disease. That being said, the overall health, safety, and welfare of the children being cared for by PPEC centers will be improved and enhanced.

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:

There will be no additional cost to the licensing agency. There will be minimal increase in paper work for the licensing process.

MS Medicaid's budgetary cost for the care of these children is expected to decrease. Currently, numerous of these children reside in a hospital acute care setting or have frequent intermittent hospitalizations so that they can receive their necessary skilled medical and nursing services or are under the care of private duty nursing/medical services. In most instances, MS Medicaid is currently serving as the intermediary to pay the cost of these hospitalizations, private duty staffing, or continual long term acute care stays (as there are no other options for service.) This action allows the establishment of a medically safe, cost effective, least restrictive alternative to care for the medically and technologically dependent children in our state.

5. Estimate the cost or economic benefit to all persons directly affected by the proposed action: Provide an analysis of the impact of the proposed rule on small business:

It is expected that private-for-profit or not-for-profit private entities or corporations will either purchase or build the structures needed to provide PPEC services and care. The start-up cost of such buildings, equipment, contract services and staffing are expected to be substantial, in excess of 1 million dollars. Such services will have a positive economic impact as it will bring additional jobs to Mississippi. The centers will provide a positive impact on the care and lives of the children and families to be served. (Refer to answer #3)

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

The Department estimates the probability of no more than 4-5 centers throughout the entire state, based on areas having the population and resources to refer and support such centers.

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:

PPECs will be required to maintain fiscal records, in accordance with accepted accounting standards, as they will be subject to audit of cost/services per MS Medicaid.

Medical records must be maintained on each child, to include full details of each client's medical, physical, psychological, educational plans, treatments ordered/rendered, activities, and evaluations of the child's response to all services. Various professional staff, to include but not be limited to, physicians, nurses, physical therapist, social workers, educators, speech therapist, early interventionalist and psychologist will be responsible to document the evaluations, treatments and the child's responses to the care given.

The Mississippi State Department of Health is the licensing authority for PPEC centers. The paperwork, reporting and costs associated with licensing and this new set of Rules will be absorbed in the current healthcare licensure budget for FY2013.

c. State the probable effect on impacted small businesses:

None anticipated for existing 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:

(Response related to above, i, ii, iii, iv) During the 2012 Regular Legislative Session, legislators adopted new statutory language to allow the establishment of the Prescribed Pediatric Extended Care (PPEC) as an alternative, cost effective, less restrictive center and model of care for medically and technologically dependent children. The Department feels that each child should be afforded high quality, safe care at any location holding itself out to provide such care to Mississippi's medically fragile children. There are no less intrusive or less costly alternative methods to achieving the purpose of the proposed regulations.

(Response to v) State law allows the following exemption: "County operated or municipally operated PPEC centers applying for licensure under this act shall be exempt from the payment of licensure fees."

6. 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:

Right now, there is limited coordination of services for these children. The care and services are being provided in hospitals, through private duty staffing, home health agency services, school programs and numerous other agency resources. Cost of such care through most services is varied but in many cases is astronomical, depending on the needs and severity of the child's medical condition. In many instances, the child must live within the confines of a hospital or care unit as their dependency on medical/artificial means are to such extent that the parents cannot provide the necessary care. In such cases, re-imbusement to hospitals are provided by Medicaid, private insurance or other means, at the rate established for acute hospital care. For those receiving outpatient, home-bound care, based on a review of the 10/01/10 – 09/30/12 Medicaid Per Visit Rates, Chart, payment for professional services range from a high of \$116.33 (per visit) for a skilled nurse, \$67.92 (per visit) for a physical therapist, \$67.92 (per visit) for speech therapist and \$43.05

(per visit) for a home health aide. Private duty nursing/care is expected to be comparable. The PPEC, which must employ such professionals or provide services through contractual agreements, will be responsible to coordinate and provide all the needed services of the child, most often, at one location. As stated earlier, this action is expected to decrease cost as it allows the establishment of a medically safe, cost effective, least restrictive alternative to care for the medically and technologically dependent children in our state.

7. 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:

It has been determined that there are no less costly methods for the achieving the purpose of the proposed rule.

8. Describe reasonable alternative methods, where applicable, for achieving the purpose of the proposed action which were considered by the agency:

There are no reasonable alternative methods.

9. State reasons for rejecting alternative methods that were described in #9 above:

N/A

10. Provide a detailed statement of the data and methodology used in making estimates required by this subsection:

The data from the Mississippi Division of Medicaid Home Health Agency Per Visit Rates, 10/01/10 through 09/30/2012, visits and discussions with La. licensed PPEC Healthcare providers who stated the LA PPEC centers coordinated the children's services, in accordance with physician's orders, IEP, IDT, and IESP plans for a per hour rate range of \$30.00 /hour; which, if possible, should reflect as a substantial savings to the state. The Mississippi Division of Medicaid was involved in the development of these PPEC regulations and is in the process of developing a cost reporting/payment system for the evaluation of and payment of services rendered to children being served in a PPEC.