



DELBERT HOSEMAN
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 MS State Department of Health	CONTACT PERSON Mike Lucius	TELEPHONE NUMBER 601-576-7847	
ADDRESS PO Box 1700	CITY Jackson	STATE MS	ZIP 39205-1700
EMAIL Bob.fagan@msdh.state.ms.us	DESCRIPTIVE TITLE OF PROPOSED RULE Minimum Standards of Operation for Mississippi Hospitals		
Specific Legal Authority Authorizing the promulgation of Rule: Miss. Code Ann. §43-13-117	Reference to Rules repealed, amended or suspended by the Proposed Rule: Added Chapter 3		

A. Estimated Costs and Benefits

SIGNATURE 	TITLE Mike Lucius, Deputy State Health Officer/Chief Administrative Officer
DATE 9-4-13	PROPOSED EFFECTIVE DATE OF RULE: 30 days after filing

1. Describe the need for the proposed action:
To protect the safety and well-being of the children cared for in a licensed Pediatric Skilled Nursing Facility.
2. Describe the benefits which will likely accrue as the result of the proposed action:
This proposed action will benefit up to 60 ventilator dependent or medically, technologically dependent in this licensed healthcare facility. The benefits will include, but are not limited to, a better and safer physical environment in which children are cared for in licensed healthcare facilities. Benefits of these regulatory revisions include: higher quality, better trained, and better qualified personnel caring for the children better reporting of serious occurrences involving children in healthcare facilities, better protection of infants and other medically dependent children cared for in healthcare facilities, higher standards for care and activities for children, improved food safety and safer transportation of children who reside in a medical facility, and better protection of children from disease.
3. Describe the effect the proposed action will have on the public health, safety, and welfare:
The overall health, safety and welfare of children cared for in this type of licensed healthcare facility 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 costs to MSDH as the cost of licensure and inspections will be absorbed into the normal workload. There will be no increase. It is impossible to estimate the cost to Medicaid since the entities daily per diem reimbursement rate has not been established as of yet. However, since currently the cost of these children's care is being provided in an acute care setting and payment through acute care (hospital) reimbursement, it is possible that the cost of their care may be substantially less than what is currently being paid.
5. Estimate the cost or economic benefit to all persons directly affected by the proposed action:
The benefit to this healthcare provider will be that the quality of the product offered; care for children will be enhanced and with that may come an increase in business. It can be estimated that the construction of a facility to house these children could run 1 million plus. However, most operational cost should be covered by Medicaid.
6. Provide an analysis of the impact of the proposed rule on small business:

The benefit to this healthcare provider will be that the quality of the product offered; care for children will be enhanced and with that may come an increase in business. It can be estimated that the construction of a facility to house these children could run 1 million plus. However, most operational cost should be covered by Medicaid.

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

One Pediatric Skilled Nursing Facility of not more than 60 beds.

- a. **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:**

The Mississippi State Department of Health is the licensing authority for child care facilities and the costs associated with the regulation amendments will be absorbed in the current budget.

- b. **State the probable effect on impacted small businesses:**

As this will be the only licensed such entity in MS, it should not adversely affect other small businesses.

- c. **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;
- v. The exemption of some or all small businesses from all or any part of the requirements contained in the proposed regulations:

The cost to Medicaid and to acute care hospitals will be significantly greater if these children are forced to be maintained in hospital wards pulling acute care reimbursements.

8. 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:

As there are no other alternatives to care, except acute care hospitalization, there are no less costly methods for achieving the purpose of the proposed rule.

9. 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:

As there are no other alternatives to care, except acute care hospitalization, there are no less costly methods for achieving the purpose of the proposed rule.

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

None; this is an optional program for hospitals.

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

N/A

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

Data for analysis is limited, at best, due to the fact that a reimbursement rate for Pediatric Skilled Nursing Care has never been established, to date, in Mississippi. The cost of providing care and services to these ventilator and medically/technologically dependent children has been being provided and/or absorbed by acute care hospitals, mainly the University of Mississippi Medical Center (where many of these children reside). Reimbursement, when appropriate, has been based on acute care hospitalization rates.