



DELBERT HOSEMANN
Secretary of State

ECONOMIC IMPACT STATEMENT

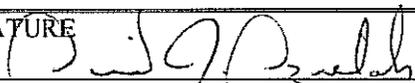
An Economic Impact Statement is required for this proposed rule by Section 25-43-3.105 of the Administrative Procedures Act. An Agency is encouraged to use as much space as will adequately answer all questions. A **PDF** version of this executed Form must be filed with any proposed rule, if required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

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| AGENCY NAME Division of Medicaid | CONTACT PERSON Margaret Wilson | | TELEPHONE NUMBER 601-359-5248 |
| ADDRESS Walter Sillers Building, Suite 1000 | CITY Jackson | STATE MS | ZIP 39201 |
| EMAIL Margaret.wilson@medicaid.ms.gov | DESCRIPTIVE TITLE OF PROPOSED RULE Title 23: Medicaid, Part 202: Outpatient Services, Rule 2.10: Phase II Cardiac Rehabilitation | | |
| Specific Legal Authority Authorizing the promulgation of Rule: CFR § 410.49; Miss. Code Ann. § 43-13-121 42; MIPPA of 2008. | Reference to Rules repealed, amended or suspended by the Proposed Rule: New rule 2.10 | | |

- Describe the need for the proposed action:
Cardiovascular disease, including heart disease and stroke, is the leading cause of death in Mississippi, accounting for over a third of all deaths in the state. Mississippi's CVD mortality rate remains the highest in the nation. The Centers for Medicare and Medicaid Services (CMS) implemented the Medicare Improvements for Patients and Providers Act (MIPPA) of 2008 Cardiac Rehab (CR) statutory coverage provisions through 42 CFR § 410.49 which includes all coverage provisions for CR items and services.
- Describe the benefits which will likely accrue as the result of the proposed action:
Phase II outpatient cardiac rehabilitation is a comprehensive medical program designed to restore beneficiaries with cardiovascular heart disease to active and productive lives and reduce the risk of future cardiac events
- Describe the effect the proposed action will have on the public health, safety, and welfare:
As a result of receiving cardiac rehabilitation services, beneficiaries with heart disease may recover faster, feel better, reduce stress, learn ways to lead healthier lifestyles, reduce the risk of future heart problems, and increase life expectancy.
- 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:
DOM anticipates minimal cost to the agency and no cost of implementing to any other state and local government entities.
- Estimate the cost or economic benefit to all persons directly affected by the proposed action: *The cost is nothing to all affected. The economic benefit is a substantial amount.*

6. Provide an analysis of the impact of the proposed rule on small business:
- Identify and estimate the number of small businesses subject to the proposed regulation: *N/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: *N/A*
 - State the probable effect on impacted small businesses: *N/A*
 - Describe any less intrusive or less costly alternative methods of achieving the purpose of the proposed regulation including the following regulatory flexibility analysis:
 - The establishment of less stringent compliance or reporting requirements for small businesses; *N/A*
 - The establishment of less stringent schedules or deadlines for compliance or reporting requirements for small businesses; *N/A*
 - The consolidation or simplification of compliance or reporting requirements for small businesses; *N/A*
 - The establishment of performance standards for small businesses to replace design or operational standards required in the proposed regulation; and *N/A*
 - The exemption of some or all small businesses from all or any part of the requirements contained in the proposed regulations: *N/A*
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 cost of adopting the rule is substantially less than not adopting the proposed rule. Benefit of adopting the proposed rule is substantially more than not adopting the proposed rule.*
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 reasonable alternative methods.
9. Describe reasonable alternative methods, where applicable, for achieving the purpose of the proposed action which were considered by the agency: *N/A*
10. State reasons for rejecting alternative methods that were described in #9 above: *N/A*
11. Provide a detailed statement of the data and methodology used in making estimates required by this subsection: *A sample of beneficiaries with a record of two or more hospital stays reimbursed by DOM in calendar year 2012 was pulled. The sample had a total reimbursement amount of \$816,267.42 reported (n=62). The chart below predicts estimated cost savings realized by DOM if these beneficiaries had participated in Phase II cardiac rehabilitation and therefore avoided the second admission.*

| Percentage of Beneficiaries Participating in Phase II CR | Total Cost of Second Admits | Total Cost of Phase II Cardiac Rehab | Total Cost Savings |
|--|-----------------------------|--------------------------------------|--------------------|
| 25% | \$204,066.86 | \$34,540.20 | \$169,526.66 |
| 50% | \$408,133.71 | \$69,080.40 | \$339,053.31 |
| 75% | \$612,200.57 | \$103,620.60 | \$509,179.96 |
| 100% | \$816,267.42 | \$138,160.80 | \$720,824.60 |

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| SIGNATURE  | TITLE Executive Director |
| DATE 11/21/13 | PROPOSED EFFECTIVE DATE OF RULE FEB 01 2014 |