



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 Margaret Wilson		TELEPHONE NUMBER 601-359-5241
ADDRESS 500 High Street, Suite 1000	CITY Jackson	STATE MS	ADDRESS 500 High Street, Suite 1000
EMAIL Margaret.Wilson@medicaid.ms.gov	DESCRIPTIVE TITLE OF PROPOSED RULE Dialysis Services		
Specific Legal Authority Authorizing the promulgation of Rule: Miss. Code Ann.43-13-121	Reference to Rules repealed, amended or suspended by the Proposed Rule: Title 23: Division of Medicaid, Part 216: Dialysis Services, Chapter 1: Dialysis Services, Rules 1.2, 1.3, 1.5 and 1.6		

- Describe the need for the proposed action:  
*Effective January 1, 2011, per Section 153(b) of the Medicare Improvements for Patients and Providers Act, CMS began to replace the current composite payment system with the bundled ESRD PPS. The four-year transition period began on December 31, 2013. Full implementation of the bundled ESRD (end-stage renal disease) PPS rate began on January 1, 2014. CMS will no longer publish a composite rate. Therefore, DOM must implement the bundled ESRD PPS effective January 1, 2014.*
- Describe the benefits which will likely accrue as the result of the proposed action:  
*The change in payment methodology from a composite rate system to a bundled PPS rate provides for a single payment for a dialysis treatment. In addition, it is estimated that the change will result in a 67% increase in reimbursement to dialysis centers.*
- Describe the effect the proposed action will have on the public health, safety, and welfare:  
*Implementing the Medicare bundled PPS rate will ensure that Mississippi dialysis centers are reimbursed at a fair, equitable rate.*
- 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:  
*None*
- Estimate the cost or economic benefit to all persons directly affected by the proposed action:

*The projected reimbursement based on the 2013 ESRD bundled PPS rate of \$240.36 per treatment would be \$6,395,751, resulting in an increase in payments to providers of \$2,572,975. The estimated annual increase would be \$5,145,950.*

6. Provide an analysis of the impact of the proposed rule on small business:

*None*

- 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:

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:

*CMS will no longer publish a composite rate for dialysis centers effective January 1, 2014. DOM must implement the Medicare bundled rate, or develop its own payment methodology which would not be cost effective.*

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:

*None*

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

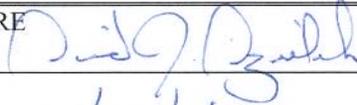
*None*

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

*N/A*

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

*For the first half of calendar year 2013, total Medicaid reimbursement to freestanding and hospital-based dialysis centers was \$3,822,776. The projected reimbursement based on the 2013 ESRD bundled PPS rate of \$240.36 per treatment would be \$6,395,751, resulting in an increase in payments to providers of \$2,572,975. This represents a 67% increase in reimbursement to providers. The estimated annual increase would be \$5,145,950.*

SIGNATURE 	TITLE Executive Director
DATE <i>2/28/14</i>	PROPOSED EFFECTIVE DATE OF RULE <b>MAY 01 2014</b>