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	CONTACT PERSON		TELEPHONE NUMBER
Mississippi State Department of Health	Mitchell Adcock		601-576-7847
ADDRESS PO Box 1700	CITY Jackson	STATE MS	ZIP 39211-1700
EMAIL Ingrid.Williams@msdh.ms.gov	DESCRIPTIVE TITLE OF PROPOSED RULE Minimum Standards Of Operation of Prescribed Pediatric Extended Care (PPEC) Centers – Chapter 2		

Specific Legal Authority Authorizing the promulgation of Rule: 43-13-117	Reference to Rules repealed, amended or suspended by the Proposed Rule: 2.3.9; Rule 2.19.6; Rule 2.20.1; Rule 2.20.2; and 2.20.4

A. Estimated Costs and Benefits

SIGNATURE	TITLE
Mitchell Adcock	Mitchell Adcock, Chief Administration Officer
DATE 8/28/2015	PROPOSED EFFECTIVE DATE OF RULE: 30 days after filing

1. **Describe the need for the proposed action:** To amend the Minimum Standards of Operation for PPEC rules and clarify the requirement for a food permit from the Office of Environmental Health, the physical environment/physical plant requirements as outlined by the current edition of NFPA 101 Life Safety Code, to clarify the type of generator required, as an emergency generating system, Level 1, which should provide adequate power to maintain full power to the building in the case of a power failure; to clarify the requirement of a fire sprinkler system in accordance with the current edition of NFPA 13, Installation of Sprinkler Systems; to clarify specific Fire Code Items to include fire extinguishers, fire alarms, and smoke detectors in accordance with the specific NFPA Code; and to clarify the maximum occupancy load should be calculated based on the gross square feet person to include staff and each child.

2. **Describe the benefits which will likely accrue as the result of the proposed action:** These clarifications and/or amendments to the rules will mitigate food sanitation hazards as well as physical plant hazards. The PPEC center will promote a safety and healthy environment for medically fragile children who receive necessary family-centered medical, developmental, psychological, nutritional, and family training services.

3. **Describe the effect the proposed action will have on the public health, safety, and welfare:** These clarifications to the current rules will promote a safe and healthy PPEC environment with regard to food sanitation and environment of care for providing services to medically fragile children.

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.** The cost to the agency is the amount of paperwork and administrative costs for processing and filing regulations for both program and Legal staff.

5. **Estimate the cost or economic benefit to all persons directly affected by the proposed action:** The costs for the PPEC provider will be for the PPEC licensure requirements which include application fees, food permit and physical plant requirements. Estimated costs are as follows: Application/Licensing Fees: Application Processing Fee of $1000; $500.00 licensure fee for up to 25 beds; >25 beds, at an additional $20 per bed up to $5000; and a user fee of $3000 ; Food Permit Fee of $150 for a Level III and $200 for Level IV; Initial Physical Plant Estimated Start-Up Costs – Type 13 Fire Sprinkler System –approximately $26.000 to $38,000 (average cost - $30,000) but are typically cost per sq foot; and will vary due to building type; Wood frame vs Metal studs and Structure; Type 1 Generator System- Approximately $25,000-$30,000; and a fire alarm system – approximately $15,000

6. Provide an analysis of the impact of the proposed rule on small business: The costs for the PPEC provider will be for the PPEC licensure requirements which include application fees, food permit and physical plant requirements. . Estimated costs are as follows: Application/Licensing Fees: Application Processing Fee of $1000; $500.00 licensure fee for up to 25 beds; >25 beds, at an additional $20 per bed up to $5000; and a user fee of $3000 ; Food Permit Fee of $150 for a Level III and $200 for Level IV; Initial Physical Plant Estimated Start-Up Costs – Type 13 Fire Sprinkler System –approximately $26.000 to $38,000 (average cost - $30,000) but are typically cost per sq foot; and will vary due to building type; Wood frame vs Metal studs and Structure; Type 1 Generator System- Approximately $25,000-$30,000; and a fire alarm system – approximately $15,000

7. Identify and estimate the number of small businesses subject to the proposed regulation: Five (5)

    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: Costs to Environmental Health for food permit and tracking and costs to HFLC for surveyor/field staff inspections/travel and administrative costs for processing inspection reports and licenses.

    b. State the probable effect on impacted small businesses: Financial effect for start up costs and continued operational costs; but the return on the investment will be Medicaid reimbursement once licensed for providing services to these children who are prescribed these services by a physician.

    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; N/A

        ii. The establishment of less stringent schedules or deadlines for compliance or reporting requirements for small businesses; N/A

        iii. The consolidation or simplification of compliance or reporting requirements for small businesses; N/A

        iv. The establishment of performance standards for small businesses to replace design or operational standards required in the proposed regulation; N/A

        v. The exemption of some or all small businesses from all or any part of the requirements contained in the proposed regulations: N/A

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: Not adopting these rules will create a hazardous physical plant environment as well as a hazardous food protection environment for medically fragile children who are not capable of self-preservation and who are already immuno-compromised.

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: N/A

10. Describe reasonable alternative methods, where applicable, for achieving the purpose of the proposed action which were considered by the agency: Different grades/types of generators and sprinkler systems which do not promote as much protection as well as no requirement for a food permit was considered

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: PPEC Licensure Applicants were contacted for estimated costs related to the physical plant requirements/compliance as these costs are greater than the food permit costs.