



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 Mitchell Adcock	TELEPHONE NUMBER 601-576-7847
ADDRESS PO Box 1700/570 E Woodrow Wilson Blvd.	CITY Jackson	STATE MS
EMAIL Ingrid.Williams@msdh.ms.gov	DESCRIPTIVE TITLE OF PROPOSED RULE Title 15 - Mississippi State Department of Health – Part IX – Office of Health Policy and Planning, Division of Health Planning and Resource Development, Subpart 91 – Certificate of Need Review Manual (Effective December 1, 2015)	
Specific Legal Authority Authorizing the promulgation of Rule: Mississippi Code Sections 41-7-185 and 41-7-187	Reference to Rules repealed, amended or suspended by the Proposed Rule: CON Review Manual (Effective September 1, 2011)	

SIGNATURE 	TITLE Chief Administrative Officer
DATE September 4, 2015	PROPOSED EFFECTIVE DATE OF RULE December 1, 2015

1. Describe the need for the proposed action:

This is necessary to keep the CON Program budget current to achieve its goal of guiding Mississippi's health planning and health regulatory activities: to improve the health of Mississippi residents; to increase the accessibility, acceptability, continuity, and quality of health service; to prevent unnecessary duplication of health resources; and to provide some cost containment.

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

The CON Review Manual is necessary to properly administer the Certificate of Need program that requires review of health care facilities and defined health care services. Parties to benefit include: all health care facilities and health care service providers, and their consumers and the State of Mississippi.

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

The CON Program is to assess need for all defined health care facilities and health care services. Mississippi's health planning and health regulatory activities have the following purposes: to

improve the health of Mississippi residents; to increase the accessibility, acceptability, continuity, and quality of health service; to prevent unnecessary duplication of health resources; and to provide some cost containment.

In furtherance of the above activities, the CON Program impacts all regulated health care facilities, health care providers of defined services, and all their respective consumers and the State of Mississippi

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:

We do anticipate any change in the costs to the agency or other state agencies, including paperwork, or any effect on state or local revenues.

5. Estimate the cost or economic benefit to all persons directly affected by the proposed action:

The CON Review Manual is necessary to properly administer the Certificate of Need program that requires review of health care facilities and defined health care services. Parties to benefit include, all health care facilities and health care service providers, and their consumers and the State of Mississippi. During FY 2015, the program reviewed 26 applications under the program and 86 declaratory rulings, these involved capital expenditures of \$471,082,423. MSDH estimates that the economic benefit to the public is excess of the annual capital expenditures by the regulated health care facilities and service providers. MSDH estimates the costs are significantly less than the annual capital expenditures.

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

MSDH estimate of impact of small business is minimal at best since the number of small businesses that are impacted by the CON Program are limited.

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:

Without better health planning in the state, the consumers of health care facilities and service providers and the general citizens of the State of Mississippi will not be afforded access to improve their health. The costs of the CON program are minimal when compared to the health of all health care consumers and the health of all the citizens of the State of Mississippi.

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:

The CON Program is intended to be supported by various fees. Administering the CON Program with a small budget will save costs, but at the expense of having static health planning resulting in negative impact on the health of Mississippi residents. MSDH cannot determine a less costly method administer the CON Program and still improve health planning and health of the citizens of the State of Mississippi .

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

Without restating the answer to Question 8, hereinabove, MSDH considered the various program fees and various scenarios based on historical numbers to predict the raising of additional funds to support an adequate budget for the CON Program.

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

See response to Question 8, hereinabove.

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

MSDH used historical costs of the CON Program and other historical data relating to each fee and the historical and future models of the CON Program budget.