



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) 359-5248
ADDRESS 550 High Street, Suite 1000	CITY Jackson	STATE MS	ZIP 39201
EMAIL Margaret.Wilson@medicaid.ms.gov	DESCRIPTIVE TITLE OF PROPOSED RULE Title 23: Medicaid, Part 212: Rural Health Clinics (RHC), Chapter 1: General, Rule 1.2: Service Limits, Rule 1.3: Covered Services, Rule 1.4: Reimbursement Methodology. Non-substantive changes made to Rules 1.5, 1.6, 1.7, and 1.8.		
Specific Legal Authority Authorizing the promulgation of Rule: 42 CFR § 440.230; SPA 2013-033; Miss. Code Ann. 43-13-121.	Reference to Rules repealed, amended or suspended by the Proposed Rule: Rules 1.2, 1.3, and 1.4		

- Describe the need for the proposed action:  
*To include language to correspond with SPA 2013-033. The current payment methodology for Rural Health Clinics (RHC) does not allow for additional reimbursement outside the clinic’s encounter rate. This regulation allows the Division of Medicaid to implement an alternate payment method which includes a prospective payment rate per encounter and an additional fee for other certain services. To remove RHC encounters from the physician services limit.*
- Describe the benefits which will likely accrue as the result of the proposed action:  
*This regulation allows for additional reimbursement for Rural Health Clinic (RHC) encounters which are outside the Division of Medicaid’s definition of “office hours”. If RHCs have the ability to offer office hours outside the Division of Medicaid’s office hours (Monday through Friday, 8:00 a.m. – 5:00 p.m. excluding Saturday and Sunday and federal and state holidays), this would reduce the number of emergency room (ER) visits by Medicaid beneficiaries. This would result in substantial cost savings for the Division of Medicaid.*  
  
*Additionally, Medicaid beneficiaries will be able to receive primary care services for conditions that are not life-threatening but warrant immediate attention, after the Division of Medicaid’s definition of office hours. This is anticipated to reduce ER visits as a result of conditions that are not life-threatening. To allow beneficiaries access to RHCs without the physician services limit.*
- Describe the effect the proposed action will have on the public health, safety, and welfare:

*Medicaid beneficiaries will be able to receive primary care services for conditions that are not life-threatening but warrant immediate attention, after the Division of Medicaid's definition of office hours. This is anticipated to reduce ER visits as a result of conditions that are not life-threatening.*

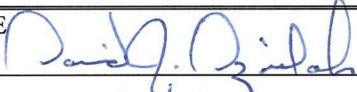
4. Estimate the cost to the agency and to any other state or local government entities, of implementing and enforcing the proposed action, including the estimated amount of paperwork, and any anticipated effect on state or local revenues:  
*There will be no additional cost to the agency, because the additional fee will be paid via the existing fee schedule.*
5. Estimate the cost or economic benefit to all persons directly affected by the proposed action:  
*The clinics will receive an additional \$15.00 per encounter outside of the Division of Medicaid's definition of office hours. In FY2013, there were 3,780 ER visits that were determined to be non-emergent in nature. Therefore, the estimated benefit to RHCs is \$56,700 (\$15 x 3,780 visits).*
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:  
*None*
  - 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: *None*
  - c. State the probable effect on impacted small businesses: *None*
  - d. Describe any less intrusive or less costly alternative methods of achieving the purpose of the proposed regulation including the following regulatory flexibility analysis: *None*
    - 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; and *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*
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 costs and benefits of implementing the proposed rule substantially outweigh the costs and benefits of not adopting the proposed rule. The average cost of an ER visit is twice that of an RHC encounter. Implementing the rule would result in a potential cost savings of \$423,171 for the agency with beneficiaries receiving primary care services in the RHC setting instead of the ER.*
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:

*None*

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

*For FY2013 the average cost of an ER visit was \$227.00 and the average cost of an RHC encounter was \$100.05. With an additional \$15.00 per encounter outside the Division of Medicaid's office hours, the cost per visit would be \$115.05. In FY2013, there were 3,780 ER visits that were determined to be non-emergent in nature. This represents a cost savings of \$423,171.*

SIGNATURE 	TITLE Executive Director
DATE 4/1/15	PROPOSED EFFECTIVE DATE OF RULE JUN 01 2015