SOS APA Form 003
Rev. 6/12

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	CONTACT PERSON		TELEPHONE NUMBER
Division of Medicaid	Margaret Wilson		(601) 359-5248
ADDRESS	CITY	STATE	ZIP
550 High Street, Suite 1000	Jackson	MS	39201
EMAIL	DESCRIPTIVE TITLE OF PROPOSED RULE		
Margaret.Wilson@medicaid.ms.gov	Title 23: Division of Medicaid, Part 212: Rural Health Clinics, Chapter 1: General, Rule 1.4: Reimbursement Methodology		

Specific Legal Authority Authorizing the promulgation of Rule:	Reference to Rules repealed, amended or suspended by the Proposed Rule:
OBRA (1990) § 4161; 42 CFR §§ 440.20 (b) - (c), 447.371, Part 491; Miss. Code Ann. § 43-13-121; SPA 2013-033; SPA 15-003.	1.4

SIGNATURE	TITLE
	Executive Director
DATE 9/24/15	PROPOSED EFFECTIVE DATE OF RULE DEC 01 2015

1. Describe the need for the proposed action:
   Telehealth will increase beneficiary access for needed Medicaid services from a remote location.
2. Briefly describe the need for the proposed rule:
   Due to the rural nature of Mississippi, telehealth will increase beneficiary access for needed Medicaid services from a remote location.
1. Describe the benefits which will likely accrue as the result of the proposed action:
   Telehealth will increase beneficiary access for needed Medicaid services from a remote location.
2. Describe the effect the proposed action will have on the public health, safety, and welfare:
   Telehealth will increase beneficiary access for needed Medicaid services from a remote location.
3. 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 net savings of Telehealth Services is estimated to be $2,604,866 per state fiscal year.
4. Estimate the cost or economic benefit to all persons directly affected by the proposed action: *There is no cost or economic benefit to persons directly affected by the proposed action.*
5. Provide an analysis of the impact of the proposed rule on small business: *N/A*

a. Identify and estimate the number of small businesses subject to the proposed regulation: *N/A*
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: *N/A*
c. State the probable effect on impacted small businesses: *N/A*
d. 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;
   ii. The establishment of less stringent schedules or deadlines for compliance or reporting requirements for small businesses;
   iii. The consolidation or simplification of compliance or reporting requirements for small businesses;
   iv. The establishment of performance standards for small businesses to replace design or operational standards required in the proposed regulation; and
   v. The exemption of some or all small businesses from all or any part of the requirements contained in the proposed regulations: *N/A*

6. 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:
7. 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: *There are no less costly or intrusive methods for achieving the purpose of the proposed rule.*
8. Describe reasonable alternative methods, where applicable, for achieving the purpose of the proposed action which were considered by the agency*: There are no other reasonable alternative methods for achieving the purpose of the proposed rule.*
9. State reasons for rejecting alternative methods that were described in #9 above: *N/A*
10. Provide a detailed statement of the data and methodology used in making estimates required by this subsection:
    Telehealth Services*: MMIS data was compiled for utilization of emergency room evaluation and management codes 99281-99285 for SFY14. Total cost of these services was $1,557,688 with the average claim of $77.60. Using a rate of $31.01 for the telehealth originating site fee, the Division of Medicaid estimates a yearly decrease in emergency room costs of three percent (3%) which equals to a savings of $46,731 annually. Additionally, the Division of Medicaid anticipates that non-emergency transportation (NET) costs will decrease due to beneficiaries accessing telehealth services at a closer geographical site to them.*