



Michael R. Pence, Governor
State of Indiana

Indiana Family and Social Services Administration
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TO: Erik Scheub
Office of Small Business and Entrepreneurship

FROM: Joseph Moser, Medicaid Director
Family and Social Services Administration, Office of Medicaid Policy and Planning

APPROVED BY: John J. Wernert, M.D., Secretary
Family and Social Services Administration

RE: Small Business Economic Impact Analysis of Proposed Rule LSA # 15-70; Electronic Signature Amendment

DATE: April 17, 2015

CC: Tiffany Mulligan, Brandon Shirley, Erin Walsh, Kim Crawford, Leslie Huckleberry

This memo is submitted in accordance with IC 4-22-2.1, and formalizes the Family and Social Services Administration (FSSA) Office of Medicaid Policy and Planning's (OMPP) analysis of the small business economic impact of the attached rule.

FSSA – OMPP is currently undergoing implementation of the new Medicaid Management Information System (MMIS).¹ The new system includes an upgrade by which Medicaid providers will have the capability to “sign” a Medicaid prior authorization request form (PA request) online and transmit it electronically to the State’s contractor for processing. Currently, 405 IAC 5-3-5(c)(2) limits providers to an original signature (i.e. ink on paper) or a copy of an original signature such as a signature stamp. Without a revision to the current rule, providers cannot submit PA requests with electronic signatures and instead must print the completed PA request form, sign it and either mail or fax it for processing. The proposed rule removes the administrative requirement limiting signatures on PA requests to original signatures or copies, and amends the rule to permit electronic signatures.

Impact on Small Business

The following section provides responses to the following questions outlined in IC 4-22-2.1-5:

¹ MMIS is a mechanized claims processing and information retrieval system that states are required to have in order to obtain federal funding for Medicaid.

- 1. An estimate of the number of small businesses, classified by industry section that will be subject to the proposed rule.**

IC 5-28-2-6 defines a small business as a business entity that satisfies the following requirements:

- (1) On at least fifty percent (50%) of the working days of the business entity occurring during the preceding calendar year, the business entity employed not more than one hundred fifty (150) employees.
- (2) The majority of the employees of the business entity work in Indiana.

FSSA-OMPP currently has an estimated 25,416 enrolled in-state providers. It is estimated that 21,740 small businesses are enrolled providers. The proposed rule is applicable to all small businesses who are enrolled providers.

- 2. An estimate of the average annual reporting, record keeping, and other administrative costs that small business will incur to comply with the proposed rule.**

While the proposed rule is applicable to all small businesses who are enrolled providers that submit PA requests, the proposed rule imposes no additional requirements or administrative costs on small businesses. The proposed rule will allow providers that are small businesses to submit signed PA requests electronically as an additional means of authentication for PA requests.

- 3. An estimate of the total annual economic impact that compliance will have on small businesses subject to the rule.**

The FSSA – OMPP estimates that there will be no economic impact on small businesses to comply with the proposed rule. The proposed rule will allow providers that are small businesses to submit signed PA requests electronically as an additional means of authentication for PA requests. It does not impose any new compliance requirements.

- 4. A statement justifying any requirement or cost that is imposed by the rule and not expressly required by law. The statement must reference any data, studies, or analyses relied upon by the agency in determining imposition of the requirement or cost is necessary.**

The proposed rule imposes no additional requirements or administrative costs on small businesses. The proposed rule will allow providers that are small businesses to submit signed PA requests electronically as an additional means of authentication for PA requests. It does not impose any new compliance requirements.

5. Any regulatory flexibility analysis that considers any less intrusive or less costly alternative methods of achieving the same purpose.

The FSSA – OMPP did not perform any regulatory flexibility analysis. The proposed rule imposes no additional requirements or administrative costs on small businesses, and thus there are no less intrusive or less costly alternative methods to be considered. The proposed rule will allow providers that are small businesses to submit signed PA requests electronically as an additional means of authentication for PA requests.

A. Establishment of less stringent compliance or reporting requirements for small businesses.

The FSSA – OMPP did not consider establishing less stringent compliance or reporting requirements for small businesses. The proposed rule does not have an impact on reporting requirements. The proposed rule removes the administrative requirement limiting signatures on PA requests to original signatures or copies and amends the rule to permit electronic signatures. An electronic signature will allow a provider to “sign” a PA request online and transmit it electronically to the FSSA – OMPP’s contractor for processing. The proposed rule implements an additional option for compliance with current requirements.

B. Establishment of less stringent schedules or deadlines for compliance or reporting requirements for small businesses.

The proposed rule has no impact on schedules or deadlines for compliance or reporting requirements for small businesses.

C. Consolidation or simplification of compliance or reporting requirements for small businesses.

The proposed rule does not increase compliance or reporting requirements for small businesses. The proposed rule implements an additional option for compliance with current requirements.

D. Establishment of performance standards for small businesses instead of design or operational standards imposed on other regulated entities by the rule.

The proposed rule has no impact on performance or operational standards for small businesses.

E. Exemption of small businesses from part or all of the requirements or costs imposed by the rule.

The proposed rule imposes no additional requirements or administrative costs on small businesses. The proposed rule will allow providers that are small businesses to submit signed PA requests electronically as an additional means of authentication for PA requests.

If there are any programmatic or fiscal questions, please contact Erin Walsh at (317) 233-1662 or at Erin.Walsh@fssa.in.gov. Questions regarding any other aspect of the proposed rule should be addressed to Leslie Huckleberry at (317) 232-1246 or at Leslie.Huckleberry@fssa.in.gov. FSSA-OMPP will schedule the public hearing after receiving authorization from Legislative Services Agency to do so. We will then contact you to provide the date of the hearing for your convenience.

Attachments: LSA Document #15-70: Notice of Intent, Proposed Rule