

Small Business Regulatory Fairness Board

Small Business Impact Statement

Date: September 29, 2016

Rule Number: 13 CSR 70-3.240

Name of Agency Preparing Statement: Department of Social Services

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Name of Person Approving Statement: Joseph Parks, M.D.

Please describe the methods your agency considered or used to reduce the impact on small businesses (*examples: consolidation, simplification, differing compliance, differing reporting requirements, less stringent deadlines, performance rather than design standards, exemption, or any other mitigating technique*).

Primary Care Health Homes, some of which are small businesses, enroll and manage the health care of MO HealthNet participants with qualifying chronic conditions, such as asthma, diabetes, and tobacco use. The proposed amendment would expand the number of qualifying chronic conditions for patients to be eligible for the Primary Care Health Home program.

Primary Care Health Homes receive a per-member per-month (PMPM) payment when a Health Home service is provided to a Health Home patient. The current PMPM rate for Primary Care Health Home services is \$63.72. The PMPM reimburses the Health Homes for their necessary costs of Health Home staff and contracted services. MO HealthNet Division developed the PMPM rate based on the estimated costs of Health Home staff and contracted services, and the Division believes the PMPM payments fairly compensate the Primary Care Health Homes for their incurred costs.

Primary Care Health Homes have thus far yielded improved health indicators for their enrolled patients while reducing the amount of inpatient admissions and emergency department utilization by these patients. As the patients become accustomed to working with and trusting Health Home team members, their health care can be more easily and efficiently managed. The positive results translate into fewer resources required for these patients by both MO HealthNet and the Primary Care Health Home practices.

Please explain how your agency has involved small businesses in the development of the proposed rule.

MO HealthNet has discussed the proposed amendment for some time with the Primary Care Health Home organizations, and the provider associations to which the organizations belong. The provider associations and the Primary Care Health Homes, including Health Homes that are small businesses, support the proposed amendment.

The proposed amendment will be filed with the Secretary of State's office and published in the Missouri Register, where it will be open for comments for 30 days before a final rule will be published.

Please list the probable monetary costs and benefits to your agency and any other agencies affected. Please include the estimated total amount your agency expects to collect from additionally imposed fees and how the moneys will be used.

Projected PMPM payments to Primary Care Health Homes will come to \$12.17 million in SFY 2016. MO HealthNet estimates that, with the adoption of the additional chronic conditions in the proposed amendment, an additional 2,500 participants will be eligible for Health Home services. The estimated PMPM payments for the additional qualifying patients come to \$1.84 million in SFY 2017.

MO HealthNet has seen reduced inpatient admissions and emergency department utilization with the current Primary Care Health Home population. Primary Care Health Home patients have also shown improved health measures. MO HealthNet expects the same outcomes with the patients who qualify for Health Home services as a result of the proposed amendment.

MO HealthNet does not collect or assess fees or provider taxes for Primary Care Health Homes.

Please describe small businesses that will be required to comply with the proposed rule and how they may be adversely affected.

Some of the Primary Care Health Homes, such as rural federally qualified health centers and rural hospital-based clinics, are small businesses. All Primary Care Health Homes are required to meet guidelines and qualifications spelled out in 13 CSR 70-3.240. The only new Primary Care Health Home requirement in the proposed amendment concerns Health Homes who enroll new patients with a qualifying chronic condition of substance use disorder.

Please list direct and indirect costs (in dollars amounts) associated with compliance.

The proposed amendment will yield an estimated 2,500 newly qualifying Primary Care Health Home participants. All eligible Primary Care Health Home patients, including those who qualify as a result of the proposed amendment, generate PMPM payments to their Health Homes when they receive Health Home services. The PMPM payments reimburse Primary Care Health Homes for their required staffing and contracted costs. The estimated 2,500 newly qualifying Health Home patients would generate \$1.84 million in PMPM payments in SFY 2017. This amount also represents the additional costs to the Primary Care Health Homes for increased staffing and contracted services.

Please list types of business that will be directly affected by, bear the cost of, or directly benefit from the proposed rule.

All Primary Care Health Homes, including those that are small businesses, may enroll patients with the additional qualifying chronic conditions in the proposed amendment. The Health Homes may need additional staff and contracted services as a result of increased enrollment. The costs of additional staff and contracted services will be reimbursed by the PMPM payments generated from Health Home services to the new patients.

Does the proposed rule include provisions that are more stringent than those mandated by comparable or related federal, state, or county standards?

Yes ___ No X

If yes, please explain the reason for imposing a more stringent standard.

For further guidance in the completion of this statement, please see §536.300, RSMo.