

SMALL BUSINESS IMPACT STATEMENT

In order to accurately predict the impact the adoption, amendment, or repeal of a regulation will have on small businesses, the promulgating authority must conduct a thorough analysis that not only considers the potential effects of the action but also quantifies the costs, if any, associated with each. The questions below are designed to aid promulgating authorities in conducting their analysis.

Agency submitting regulation:

Department of Behavioral Healthcare, Developmental Disabilities and Hospitals

Subject matter of regulation:

Rules and Regulations for the Licensing of Developmental Disability Organizations

ERLID No: 7463

Statutory authority: **Rhode Island General Laws (“RIGL”) 40.1-24-1 et. seq.**

Other agencies affected: **NA**

Other regulations that may duplicate or conflict with the regulation: **NA**

Describe the scope and objectives of the regulation:

These regulations apply to Developmental Disability Organizations licensed by the Department.

**** These regulations also apply to Cognitive Disability Organizations licensed by the Department because RIGL 40.1-24-2(b) authorizes and directs the Department to be the licensing authority in RI for residential and other support programs designed specifically for persons with cognitive disabilities such as brain injury. In accordance with this statute, the licensure requirements are the same standards for persons with developmental disabilities except that for these purposes all references to "developmental disabilities" shall mean "cognitive disabilities."**

What was the rationale for establishing this regulation?

It is the purpose of these rules and regulations and of the proposed amendments to establish prevailing licensure standards for agencies that provide services to adults with developmental disabilities in Rhode Island that are in the best interest of health, safety, and welfare of the public and to ensure that these agencies comply with the basic requirements in providing support and assistance to people with developmental disabilities.

It is also the purpose of the proposed amendments to further promote the Department's Employment First Policy and to ensure that the regulations define the minimum standards for the delivery of supported employment services to Participants.

It is also the purpose of the proposed amendments to rejoin the Regulations that were previously filed in six (6) parts into one (1) document. Furthermore, the Department is decreasing the administrative burden on agencies and attempting to streamline processes by removing the requirement that agencies have approval from the Department on who can develop behavioral treatment plans as well as removing the requirements for agencies to receive approval from the Department on their "Behavioral Intervention Policy and Procedure Manuals" and their "Health Care Manuals."

Does the rationale still exist?

Yes.

Is the rationale still relevant?

Yes.

Business industry (s) affected by the regulation:

These regulations apply to Developmental Disability Organizations and to Cognitive Disability Organizations licensed by the Department.

Types of businesses included in the industry (s):

Developmental Disability Organizations and Cognitive Disability Organizations licensed by the Department.

Total number of small businesses included in the regulated industry (s):

Currently, there are thirty-eight (38) Developmental Disability Organizations licensed by the Department of which thirty-one (31) are nonprofit institutions and are not considered small businesses for the purposes of RIGL 42-35.1-3.

The remaining seven (7) Developmental Disability Organizations licensed by the Department are for profit entities. However, a search by name of these seven (7) entities through the Small Business Administration "Dynamic Small Business Search Database" did not return any of these license holders.

Currently, there is one (1) Cognitive Disability Organization licensed by the Department and it is a for profit entity. However, a search by name of this one (1) entity through the Small Business Administration "Dynamic Small Business Search Database" did not return this license holder.

Number of small businesses potentially subject to the proposed regulation:

Seven (7) Developmental Disability Organizations licensed by the Department are for profit entities. However, a search by name of these seven (7) entities through the Small Business Administration “Dynamic Small Business Search Database” did not return any of these license holders.

A search of NAICS code 623210 (“Residential intellectual & developmental disabilities facilities”) in RI through the Small Business Administration “Dynamic Small Business Search Database” returned zero (0) small businesses.

There is one (1) Cognitive Disability Organization licensed by the Department and it is a for profit entity. However, a search by name of this one (1) entity through the Small Business Administration “Dynamic Small Business Search Database” did not return this license holder.

As stated above, a search of NAICS code 623210 (“Residential intellectual & developmental disabilities facilities”) in RI through the Small Business Administration “Dynamic Small Business Search Database” returned zero (0) small businesses.

How often do small businesses contact your agency for assistance with clarification of the regulation and/or receive assistance with compliance issues?

Small businesses rarely contact the Department for assistance with clarification of regulations or assistance with compliance issues. However, Department staff respond to all inquiries from current license holders, prospective license applicants, and members of the public when contacted.

What is the cost to your agency of establishing and enforcing this regulation?

\$9.6 million dollars [This figure represents the offices and divisions within the Department that fulfill the Department’s statutory mandates (state and federal) as the State Developmental Disability Authority, the State Substance Abuse Authority, and the State Mental Health Authority.]

What would the consequences be if the regulation did not exist?

These regulations relate to minimum standards. If these regulations did not exist, the Department would not be able to fulfill its statutory mandates (state and federal) and adults with developmental disabilities/cognitive disabilities would be at risk.

Effective date used in cost estimate: **November 2012.**

For each question below, please answer “yes” or “no” and offer a brief explanation. Please describe any facts, data, views, arguments, or other input from small businesses, organizations or any other sources that were used to quantify the impacts outlined below.

1.	Yes	No XX	Do small businesses have to create, file, or issue additional reports?
2.	Yes	No XX	Do small businesses have to implement additional recordkeeping procedures?
3.	Yes	No XX	Do small businesses have to provide additional administrative oversight?
4.	Yes	No XX	Do small businesses have to hire additional employees in order to comply with the proposed regulation?
5.	Yes	No XX	Does compliance with the regulation require small businesses to hire other professionals (e.g. a lawyer, accountant, engineer, etc.)?
6.	Yes	No XX	Does the regulation require small businesses to purchase a product or make any other capital investments in order to comply with the regulation?
7.	Yes	No XX	Are performance standards more appropriate than design standards?
8.	Yes	No XX	Does the regulation require small businesses to cooperate with audits, inspections, or other regulatory enforcement activities?
9.	Yes	No XX	Does the regulation have the effect of creating additional taxes and/or fees for small businesses?

10.	Yes	No XX	Does the regulation require small businesses to provide educational services to keep up to date with regulatory requirements?
11.	Yes	No XX	Is the regulation likely to deter the formation of small businesses in RI?
12.	Yes	No XX	Is the regulation likely to encourage the formation of small businesses in RI?
13.	Yes	No XX	Can the regulation provide for less stringent compliance or reporting requirements for small businesses?
14.	Yes	No XX	Can the regulation establish less stringent schedules or deadlines for compliance or reporting requirements for small businesses?
15.	Yes	No XX	Can the compliance or reporting requirements be consolidated or simplified for small businesses?
16.	Yes	No XX	Can performance standards for small businesses replace design or operational standards?
17.	Yes	No XX	Are there alternative regulatory methods that would minimize the adverse impact on small businesses?

18.	Yes	No XX	Have any small businesses or small business organizations been contacted during the preparation of this document? If so, please describe.
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**** The answers are all “no” because these regulations and the proposed amendments are the services and the process for the delivery of services to adults with developmental disabilities/cognitive disabilities in RI. These regulations are minimum standards established to protect the health and safety of adults with developmental disabilities/cognitive disabilities.**