

MAINE STATE LEGISLATURE

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R.S.

L.D. 1286

DATE: 6/2/95

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MAJORITY
TAXATION

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
117TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 910, L.D. 1286, Bill, "An Act Altering the Method of Computing the Hospital Tax"

Amend the bill by striking out everything after the enacting clause and before the emergency clause and inserting in its place the following:

Sec. 1. 22 MRSA §3174-O is enacted to read:

§3174-O. Establish rules

The department shall establish rules recognizing the Medicaid hospital assessment as a reimbursable cost to providers participating in the Maine medical assistance program.

Sec. 2. 36 MRSA §191, sub-§2, ¶O, as amended by PL 1991, c. 820, §6, is further amended to read:

O. The disclosure to an authorized representative of the Department of Human Services of the most recent address of a delinquent payor of child support when a written request containing the payor's Social Security number is made by the department; and

Sec. 3. 36 MRSA §191, sub-§2, ¶P, as amended by PL 1991, c. 820, §7, is further amended to read:

P. The public disclosure by the State Tax Assessor of the name, last known business address and title of the professional license or certificate of any person whose license or certificate of authority to conduct a profession, trade or business in this State has not been renewed,

COMMITTEE AMENDMENT

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COMMITTEE AMENDMENT "A" to H.P. 910, L.D. 1286

2 reissued or otherwise extended by order of the assessor
3 pursuant to section 175. This disclosure may be made only
4 after no further administrative or judicial review of the
5 order is available under section 151 or the Maine
6 Administrative Procedure Act.; and

7 **Sec. 4. 36 MRSA §191, sub-§2, ¶Q** is enacted to read:

8
9 Q. The disclosure to the Maine Health Care Finance
10 Commission or the Department of Human Services, Bureau of
11 Medical Service, of information relating to the
12 administration and collection of the tax imposed by chapter
13 369.

14
15 **Sec. 5. 36 MRSA §2801-A, sub-§1**, as amended by PL 1991, c.
16 780, Pt. R, §6, is further amended to read:

17 **1. Initial assessment.** For hospital payment years as
18 defined in Title 22, section 382 that end in state fiscal year
19 1991-92 and thereafter, each hospital licensed under Title 22,
20 chapter 405, excluding state hospitals, must be assessed 6% of
21 the hospital's final gross patient service revenue limit as
22 established by the Maine Health Care Finance Commission.

23 The joint standing committee of the Legislature having
24 jurisdiction over taxation matters shall evaluate annually the
25 methodology employed by the Department of Human Services to levy
26 the Medicaid hospital assessment.

27
28 **Sec. 6. 36 MRSA §2801-A, sub-§1-A** is enacted to read:

29 **1-A. First assessment.** For hospital payment years as
30 defined in Title 22, section 382 that end in state fiscal year
31 1999-00 and thereafter, each hospital licensed under Title 22,
32 chapter 405, excluding state hospitals, must be assessed a tax of
33 no more than 3.44% of the hospital's final gross patient service
34 revenue limit as established by the Maine Health Care Finance
35 Commission. The establishment of the exact assessment rate is
36 subject to review by the joint standing committee of the
37 Legislature having jurisdiction over taxation matters.

38
39 **Sec. 7. Appropriation.** The following funds are appropriated
40 from the General Fund to carry out the purposes of this Act.

	1995-96	1996-97
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HUMAN SERVICES, DEPARTMENT OF

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Medical Care - Payments to Providers

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All Other \$9,142,420 \$9,791,074

Provides funds for the state share of the amount required in order to recognize the hospital tax as a Medicare allowable cost.

Sec. 8. Allocation. The following funds are allocated from the Federal Expenditure Fund to carry out the purposes of this Act.

1995-96 1996-97

HUMAN SERVICES, DEPARTMENT OF

Medical Care - Payments to Providers

All Other \$15,778,992 \$16,902,148

Provides funds for the federal share of the amount required in order to recognize the hospital tax as a Medicare allowable cost.'

Further amend the bill by inserting at the end before the statement of fact the following:

FISCAL NOTE

1995-96 1996-97

APPROPRIATIONS/ALLOCATIONS

General Fund \$9,142,420 \$9,791,074
Other Funds 15,778,992 16,902,148

REVENUES

Other Funds 15,778,992 16,902,148

This bill provides the Department of Human Services with General Fund appropriations of \$9,142,420 and \$9,791,074 and Federal Expenditure Fund allocations of \$15,778,992 and \$16,902,148 in fiscal years 1995-96 and 1996-97, respectively, to

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COMMITTEE AMENDMENT "A" to H.P. 910, L.D. 1286

2 support the additional cost to the Medicaid program resulting
3 from the recognition of the hospital assessment as a Medicare
4 allowable cost.

6 Changing the rate of tax beginning in fiscal year 1999-00
7 will result in the need for future General Fund appropriations,
8 estimated to be in excess of \$77,000,000, to replace the Other
9 Special Revenue that will be lost. The exact amounts can not be
10 determined at this time.

12 The additional costs associated with the annual review of
13 the methodology used to levy the Medicaid hospital assessment can
14 be absorbed by the Legislature utilizing existing budgeted
15 resources.

16 The Governor's proposed current services budget includes
17 changes that may affect this bill's impact on the Medical Care -
18 Payments to Providers program. This estimate of the fiscal
19 impact may need to be adjusted based on final legislative actions
20 on the current services budget.'

22 **STATEMENT OF FACT**

24 This amendment, which is the majority report of the Joint
26 Standing Committee on Taxation, appropriates and allocates
27 additional funds to the Department of Human Services to reimburse
28 some of the hospital excise tax on hospitals; allows the State
29 Tax Assessor to share certain tax information with the Maine
30 Health Care Finance Commission and the Department of Human
31 Services; requires the Joint Standing Committee on Taxation to
32 annually evaluate the tax process; and decreases the tax in
33 fiscal years 1999-00 to a level that will allow the hospitals to
34 break even in the future.