

MAINE STATE LEGISLATURE

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SMC
R. 6.3

L.D. 1016

Date: 6/15/11

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TAXATION

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
125TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 752, L.D. 1016, Bill, "An Act To Restore the Health Care Provider Tax for Nursing Homes to 6 Percent"

Amend the bill by striking out the title and substituting the following:

'An Act To Restore the Health Care Provider Tax to 6 Percent'

Amend the bill by inserting after the enacting clause and before section 1 the following:

Sec. 1. 36 MRSA §2872, sub-§1, ¶C, as amended by PL 2007, c. 539, Pt. X, §1, is further amended to read:

C. For whole or partial facility fiscal years beginning on or after July 1, 2003 and before January 1, 2008, the tax imposed against each residential treatment facility is equal to 6% of its annual gross patient services revenue for the corresponding whole or partial facility fiscal year; and

Sec. 2. 36 MRSA §2872, sub-§1, ¶D, as enacted by PL 2007, c. 539, Pt. X, §1, is amended to read:

~~D. Beginning For whole or partial facility fiscal years beginning on or after January 1, 2008 for any partial facility fiscal year and for whole facility fiscal years beginning on or after January 1, 2008 and before October 1, 2011, the tax imposed against each residential treatment facility is equal to 5.5% of its annual gross patient services revenue for the corresponding whole or partial facility fiscal year; and~~

Sec. 3. 36 MRSA §2872, sub-§1, ¶E is enacted to read:

E. Beginning October 1, 2011 for any partial facility fiscal year and for whole facility fiscal years beginning on or after October 1, 2011, the tax imposed against each residential treatment facility is equal to 6% of its annual gross patient services revenue for the corresponding whole or partial facility fiscal year.'

Amend the bill by striking out all of section 4 and inserting the following:

1 **Sec. 4. 36 MRSA §2873, sub-§4**, as enacted by PL 2001, c. 714, Pt. CC, §3 and
2 affected by §8 and amended by PL 2003, c. 689, Pt. B, §§6 and 7, is further amended to
3 read:

4 **4. Application of revenues.** Revenues derived by the tax imposed by this chapter
5 must be credited to a General Fund suspense account. On the last day of each month, the
6 State Controller shall make the following transfers:

7 A. All revenues received by the assessor during the month pursuant to this chapter
8 from nursing homes net of refunds must be credited to the Nursing Facilities Other
9 Special Revenue funds account in the Department of Health and Human Services.
10 ~~The Commissioner of Health and Human Services is authorized to make revenue~~
11 ~~transfers from the Nursing Facilities Other Special Revenue funds account to the~~
12 ~~Medical Care Payments to Providers Other Special Revenue funds account and the~~
13 ~~Long Term Care Human Services Other Special Revenue funds account in amounts~~
14 ~~not to exceed legislative allocations in any fiscal year~~ Beginning October 1, 2011, the
15 revenues received in each fiscal year that result from the increase in the tax rate from
16 5.5% to 6% pursuant to section 2872, subsection 1, paragraph E must be applied first
17 to reimburse nursing homes for the MaineCare portion of the increased tax expense,
18 and all remaining revenue resulting from the increase must be applied to provide
19 cost-of-living increases to MaineCare reimbursement to nursing homes and to
20 medical and remedial private nonmedical institutions that are reimbursed room and
21 board costs and certain other allowable costs under rules adopted by the Department
22 of Health and Human Services. These rules must use a methodology that provides a
23 cost-of-living increase that ensures that such nursing facilities and medical and
24 remedial private nonmedical institutions receive a share of the revenues through
25 MaineCare reimbursement of allowable costs; and

26 B. All revenues received by the assessor during the month pursuant to this chapter
27 from residential treatment facilities net of refunds must be credited to the Residential
28 Treatment Facilities Assessment Other Special Revenue funds account in the
29 Department of Health and Human Services. Beginning October 1, 2011, a percentage
30 equal to the State's annual Federal Medical Assistance percentage of the revenues
31 generated by the increase in the tax rate from 5.5% to 6% received by the assessor
32 during the month must be credited to an Other Special Revenue Funds account in the
33 Department of Health and Human Services, Developmental Services Waiver -
34 Supports program and all revenues credited to that account must be applied to
35 providing services to individuals on the waiting list for the community support
36 benefit provided under a federal 1915(c) waiver under the MaineCare Benefits
37 Manual, Chapter II, Section 29. The balance must be credited to an Other Special
38 Revenue Funds account in the Department of Health and Human Services, Medicaid
39 Services - Developmental Services program.

40 Notwithstanding the provisions of Public Law 2007, chapter 240, Part X, section 2,
41 Public Law 2009, chapter 213, Part SSSS, section 1 or any other provision of law, any
42 available balances in the accounts under this subsection may not be transferred between
43 accounts by financial order or otherwise.

44 **Sec. 5. Appropriations and allocations.** The following appropriations and
45 allocations are made.

H. 08.

1 **HEALTH AND HUMAN SERVICES, DEPARTMENT OF (FORMERLY DHS)**

2 **Developmental Services Waiver - Supports Z006**

3 Initiative: Allocates funds from the increase in the residential treatment facilities
4 assessment to be used for services to individuals on the waiting list for the waiver.

5	FEDERAL EXPENDITURES FUND	2011-12	2012-13
6	All Other	\$139,230	\$184,225
7			
8	FEDERAL EXPENDITURES FUND TOTAL	<u>\$139,230</u>	<u>\$184,225</u>

9	OTHER SPECIAL REVENUE FUNDS	2011-12	2012-13
10	All Other	\$80,376	\$106,948
11			
12	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$80,376</u>	<u>\$106,948</u>

13 **Medicaid Services - Developmental Services 0705**

14 Initiative: Allocates funds for increased costs resulting from the increase in the residential
15 treatment facilities assessment.

16	FEDERAL EXPENDITURES FUND	2011-12	2012-13
17	All Other	\$80,376	\$106,948
18			
19	FEDERAL EXPENDITURES FUND TOTAL	<u>\$80,376</u>	<u>\$106,948</u>

20	OTHER SPECIAL REVENUE FUNDS	2011-12	2012-13
21	All Other	\$46,400	\$62,086
22			
23	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$46,400</u>	<u>\$62,086</u>

24 **Nursing Facilities 0148**

25 Initiative: Allocates funds for increased nursing facility costs resulting from the increase
26 in the nursing facility tax.

27	FEDERAL EXPENDITURES FUND	2011-12	2012-13
28	All Other	\$1,400,717	\$1,863,793
29			
30	FEDERAL EXPENDITURES FUND TOTAL	<u>\$1,400,717</u>	<u>\$1,863,793</u>

A. 048

1	OTHER SPECIAL REVENUE FUNDS	2011-12	2012-13
2	All Other	\$517,514	\$692,470
3			
4	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$517,514</u>	<u>\$692,470</u>

5 **Nursing Facilities 0148**

6 Initiative: Allocates funds for cost-of-living increases to MaineCare reimbursement to
 7 nursing facilities and to medical and remedial private nonmedical institutions that are
 8 reimbursed room and board costs.

9	FEDERAL EXPENDITURES FUND	2011-12	2012-13
10	All Other	\$2,930,636	\$3,881,479
11			
12	FEDERAL EXPENDITURES FUND TOTAL	<u>\$2,930,636</u>	<u>\$3,881,479</u>

13	OTHER SPECIAL REVENUE FUNDS	2011-12	2012-13
14	All Other	\$1,691,818	\$2,253,307
15			
16	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$1,691,818</u>	<u>\$2,253,307</u>

17	HEALTH AND HUMAN SERVICES,		
18	DEPARTMENT OF (FORMERLY DHS)		
19	DEPARTMENT TOTALS	2011-12	2012-13
20			
21	FEDERAL EXPENDITURES FUND	\$4,550,959	\$6,036,445
22	OTHER SPECIAL REVENUE FUNDS	\$2,336,108	\$3,114,811
23			
24	DEPARTMENT TOTAL - ALL FUNDS	<u>\$6,887,067</u>	<u>\$9,151,256</u>
25			

26 Amend the bill by relettering or renumbering any nonconsecutive Part letter or
 27 section number to read consecutively.

28 **SUMMARY**

29 This amendment provides an increase in the provider tax rate applicable to residential
 30 treatment facilities from 5.5% to 6%, consistent with applicable federal requirements, in
 31 addition to the increase provided for nursing homes in the bill. It requires that the rules
 32 for the cost-of-living adjustment, to which all revenues related to the incremental increase
 33 for nursing homes must be applied, use a methodology that provides a cost-of-living
 34 increase that ensures that such nursing facilities and medical and remedial private
 35 nonmedical institutions receive a share of the revenues through MaineCare
 36 reimbursement of allowable costs. It requires that all revenues generated by the increase
 37 in the tax rate applicable to residential treatment facilities be applied to providing services

COMMITTEE AMENDMENT "A" to H.P. 752, L.D. 1016

1 to individuals on the waiting list for the community support benefit waiver under the
2 MaineCare Benefits Manual, Chapter II, Section 29. The amendment also adds an
3 appropriations and allocations section.

4

FISCAL NOTE REQUIRED

5

(See attached)



125th MAINE LEGISLATURE

LD 1016

LR 920(02)

An Act To Restore the Health Care Provider Tax for Nursing Homes to 6 Percent

Fiscal Note for Bill as Amended by Committee Amendment "A"

Committee: Taxation

Fiscal Note Required: Yes

Fiscal Note

	FY 2011-12	FY 2012-13	Projections FY 2013-14	Projections FY 2014-15
Appropriations/Allocations				
Federal Expenditures Fund	\$4,550,959	\$6,036,445	\$6,036,445	\$6,036,445
Other Special Revenue Funds	\$2,336,108	\$3,114,811	\$3,114,811	\$3,114,811
Revenue				
Other Special Revenue Funds	\$2,336,108	\$3,114,811	\$3,014,811	\$3,114,811

Fiscal Detail and Notes

Provides increased Other Special Revenue Funds and Federal Expenditure Fund allocations for MaineCare cost-of-living increases for nursing facilities with the state share of the costs funded by revenue from an increase in the nursing facilities tax rate from 5.5 to 6.0% beginning October 1, 2011. Provides increased allocations for MaineCare services to individuals on the waiting list for the Developmental Services Waiver - Supports program with the state share of the costs funded by revenue from an increase in the Residential Treatment Facilities tax rate from 5.5% to 6.0% effective October 1, 2011. Also provides increased allocations for increased nursing facility and residential treatment facility costs resulting from the increase in the nursing facility and the residential treatment facilities tax rate.