

1 HB238
2 165534-3
3 By Representative Clouse
4 RFD: Ways and Means General Fund
5 First Read: 11-MAR-15

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ENROLLED, An Act,

To amend Section 40-26B-21, Code of Alabama 1975, relating to the privilege assessment, the supplemental privilege assessment, and monthly surcharge on nursing facilities; to extend the current supplemental privilege assessment and monthly surcharge to August 31, 2017; and to specify that the Medicaid nursing facility program will continue to be administered by the Medicaid Agency for a certain period of time.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 40-26B-21, Code of Alabama 1975, is amended to read as follows:

"§40-26B-21.

"To provide further for the availability of indigent health care, the operation of the Medicaid program, and the maintenance and expansion of medical services:

"(a) There is levied and shall be collected a privilege assessment on the business activities of every nursing facility in the State of Alabama. The privilege assessment imposed is in addition to all other taxes and assessments, and shall be at the annual rate of \$1,899.96 for each bed in the nursing facility.

"(b) For the period September 1, 2010, through August 31, ~~2015~~ 2017, there is levied and shall be collected a

1 supplemental privilege assessment on the business activities
2 of every nursing facility in the State of Alabama. The
3 supplemental privilege assessment imposed is in addition to
4 all other taxes and assessments, including without limitation,
5 the privilege taxes provided for under this article, and from
6 September 1, 2010, through August 31, 2011, shall be at the
7 annual rate of \$1,063.08 for each bed in the nursing facility,
8 and one thousand six hundred three dollars and eight cents
9 (\$1,603.08) for the period of September 1, 2011, through
10 August 31, ~~2015~~ 2017, except that beginning with the monthly
11 payment for the supplemental privilege assessment due
12 beginning May 20, 2012, and ending August 31, ~~2015~~ 2017, there
13 shall be a monthly surcharge due with each monthly payment of
14 the supplemental privilege assessment. The initial monthly
15 surcharge shall be one hundred thirty-one dollars and
16 twenty-five cents (\$131.25) per licensed bed. Beginning with
17 the monthly payment of the supplemental privilege assessment
18 due on September 20, 2012, the monthly surcharge shall be
19 reduced to forty-three dollars and seventy-five cents (\$43.75)
20 per month.

21 "(c) The total privilege assessment, supplemental
22 privilege assessment, (privilege assessments) and surcharge
23 paid by a nursing facility pursuant to this article shall be
24 considered an allowable cost, as that term is defined in the
25 reimbursement methodology for nursing facilities contained in

1 Title 560 of the Alabama Administrative Code, and, to the
2 extent permitted under applicable federal law governing the
3 Alabama Medicaid nursing home program, the total privilege
4 assessments paid must be included in the computation of the
5 Medicaid per diem rate determined under the reimbursement
6 methodology for nursing facilities contained in Title 560 of
7 the Alabama Administrative Code. The payment to nursing
8 facilities of the determined allowable costs in respect to the
9 supplemental privilege assessment described in subsection (b)
10 shall be included in Medicaid per diem rates for services
11 provided commencing as of January 1, 2011, and shall continue
12 to be included in such Medicaid per diem rates for a period
13 equal to the number of months during which the supplemental
14 assessments shall have been in effect. For each Medicaid
15 nursing facility, in determining the adjustment to the
16 Medicaid per diem for the allowable costs associated with the
17 supplemental assessment, the Alabama Medicaid Agency shall
18 divide the total supplemental assessment due under subsection
19 (b) by the total of all incurred resident days (regardless of
20 payor class) reported by such nursing facility in its Medicaid
21 cost report filed for the period then ended June 30, 2010. To
22 accommodate the increase in the supplemental assessment and
23 the surcharge described in subsection (b), Medicaid shall use
24 the mechanism described herein to adjust each nursing
25 facility's rate effective as of October 1, 2011, regarding the

1 privilege assessment, and May 1, 2012, regarding the
2 surcharge. Notwithstanding the foregoing, in the event that
3 such cost report shall be for a period less than one year, the
4 resident days reported shall be annualized. In the event that
5 any portion of the privilege assessment paid by a facility
6 cannot be included in the computation of the Medicaid per diem
7 rate because of the effect of any cost ceiling provision of
8 the reimbursement methodology, the cost ceiling must be
9 adjusted to ensure continued treatment of the total privilege
10 assessments as an allowable cost.

11 "(d) The privilege assessment rate or the
12 supplemental privilege assessment rate or the surcharge rate
13 shall be reduced by the department upon the advice of the
14 Alabama Medicaid Agency if, but only if, such reduction is
15 required to ensure that the total revenues to the State of
16 Alabama produced by this privilege assessment or, if the
17 supplemental privilege assessment and surcharge are in effect,
18 the aggregate of the supplemental privilege assessment and
19 surcharge and the privilege assessment, during any state
20 fiscal year are less than or equal to six percent of the total
21 revenues received by the nursing facilities in the state
22 subject to the assessment during that same fiscal year. In the
23 event that the supplemental privilege assessment or surcharge
24 are reduced as provided in the preceding sentence, then for
25 each Medicaid nursing facility a corresponding reduction shall

1 be made to the Medicaid per diem adjustment described in
2 subsection (c) to ensure that only the amount of supplemental
3 privilege assessment or surcharge actually paid is used in
4 computing that Medicaid nursing facility's allowable costs."

5 "(e) The Medicaid nursing facility program shall
6 continue to be administered directly by the Alabama Medicaid
7 Agency until at least October 1, 2017."

8 Section 2. This act shall become effective
9 immediately following its passage and approval by the
10 Governor, or its otherwise becoming law.

