

1 HB8
2 171700-2
3 By Representative Beech
4 RFD: Ways and Means General Fund
5 First Read: 08-SEP-15

1 ENGROSSED

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4 A BILL

5 TO BE ENTITLED

6 AN ACT

7

8 Relating to the privilege tax upon providers of
9 pharmaceutical services; to provide a supplemental privilege
10 tax of 15 cents for each prescription filled or refilled for a
11 citizen of Alabama to be collected during fiscal years 2016
12 and 2017.

13 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

14 Section 1. (a) Effective ~~August 1, 2015~~ September 1,
15 2015, there is hereby created a supplemental privilege tax on
16 the business activities of every provider of pharmaceutical
17 services to the citizens of Alabama, except for a pharmacy, or
18 portion thereof, serving hospital in-patients or pharmacies
19 owned or operated by the State of Alabama or an agency thereof
20 for collection in fiscal years 2016 and 2017. The supplemental
21 privilege tax imposed is in addition to all other taxes of any
22 kind now imposed by law, including without limitation, the
23 privilege taxes provided for under Article 1, Chapter 26B of
24 Title 40, Code of Alabama 1975, and shall be at the rate of 15
25 cents for each prescription filled or refilled for a citizen
26 of Alabama.

1 (b) The supplemental privilege tax created by this
2 act shall be collected, administered, and distributed in the
3 same manner as the privilege taxes provided for in Article 1,
4 Chapter 26B of Title 40, Code of Alabama 1975.

5 Section 2. The Centers for Medicare and Medicaid
6 Services (CMS) is the federal agency responsible for the
7 administration and oversight of the State of Alabama Medicaid
8 program. It is the intent of the Legislature that the revenue
9 generated from this supplemental privilege tax will be
10 eligible for Federal Medicaid Assistance Percentage (FMAP),
11 being that portion of funds paid by the federal government to
12 the State of Alabama for its federal share of expenditures for
13 providing and administering the State's Medicaid Program. The
14 supplemental privilege tax imposed under this Act shall
15 immediately cease to be imposed if CMS determines that the
16 supplemental privilege tax under this Act is not eligible for
17 FMAP.

18 Section 3. The Alabama Medicaid Agency shall file
19 with CMS a Medicaid State Plan amendment requesting an
20 appropriate increase in the pharmacy dispensing fee included
21 in the state reimbursement amount paid to participating
22 pharmacies and/or pharmacist no later than 60 days after the
23 effective date of this Act. Subject to CMS approval, Medicaid
24 shall seek an effective date of October 1, 2015 for the
25 Medicaid State Plan amendment. The supplemental privilege tax
26 imposed under this Act shall immediately cease to be imposed

1 if CMS fails to approve an appropriate dispensing fee pursuant
2 to a properly filed Medicaid State Plan amendment.

3 Section 4. The supplemental privilege tax imposed
4 under this Act shall immediately cease to be imposed if the
5 dispensing fee is reduced below the proposed increase
6 referenced in Section 3.

7 Section 5. The supplemental privilege tax imposed
8 under this act shall cease to be collected on or before
9 September 30, 2017 unless enabling legislation for its
10 continuance is enacted by the Legislature.

11 Section 6. This act shall become effective
12 immediately following its passage and approval by the Governor
13 or its otherwise becoming law.

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House of Representatives

Read for the first time and re-
ferred to the House of Representa-
tives committee on Ways and Means
General Fund..... 08-SEP-15

Read for the second time and placed
on the calendar..... 09-SEP-15

Read for the third time and passed
as amended..... 10-SEP-15

Yeas 53, Nays 38, Abstains 0

Jeff Woodard
Clerk