

1 SB515
2 132193-1
3 By Senator Orr
4 RFD: Finance and Taxation General Fund
5 First Read: 25-MAY-11

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8 SYNOPSIS: This bill would provide a one-year income
9 tax deduction for a percentage of Medicaid payments
10 received by certain Medicaid providers. This bill
11 is needed to alleviate some of the burden placed on
12 Medicaid providers due to state budgetary
13 constraints.

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15 A BILL
16 TO BE ENTITLED
17 AN ACT

18
19 To provide a one year deduction for a percentage of
20 Medicaid payments received by Alabama Medicaid providers, as
21 defined herein.

22 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

23 Section 1. (a) In addition to all other income tax
24 deductions allowed to individuals pursuant to Section
25 40-18-15, Code of Alabama 1975, a qualified Alabama Medicaid
26 provider shall be allowed an additional deduction for the tax
27 year beginning during calendar year 2011. The additional

1 deduction shall be in the amount of ten percent (10%) of the
2 payments, in excess of \$10,000, received from the Alabama
3 Medicaid Agency during the tax year.

4 (b) For purposes of this section, a qualified
5 Alabama Medicaid provider is defined as a provider receiving
6 less than \$1,000,000 in annual Alabama Medicaid payments for
7 the year, and is enrolled with Medicaid as provider type 05
8 (Home Health Agency), 09 (Advanced Nurse Practitioner), 10
9 (Mid-Level Practitioner), 11 (Mental Health Provider), 14
10 (Podiatrist), 17 (Therapist), 18 (Optometrist), 19 (Optician),
11 20 (Audiologist), 22 (Hearing Aid Dealer), 25 (DME Providers),
12 27 (Dentist), 28 (Laboratory), 29 (Xray clinic), 31
13 (Physician), 52 (Private Duty Nurse), 54 (Psychologist), 57
14 (CRS Physician), 62 (Oral Surgeon), or 63 (Early Rehab
15 Intervention). A Qualified Alabama Medicaid provider shall not
16 include those providers who are employed by public facilities
17 whose costs are identified on each facility's most recently
18 filed CMS Form 2552-96 or future version of cost report
19 Worksheet A-8-2, Column 4. These providers are identified and
20 defined in State Plan Amendment 09-005 Attachment 4.19-A, Page
21 20.6, Exhibit C, Pages 7 through 15.

22 (c) The deduction provided in sub-section (a) shall
23 be allowed as a deduction to those individuals electing not to
24 take the optional standard deduction provided in sub-section
25 (b) of Section 40-18-15, Code of Alabama 1975; and shall be
26 allowed without regard to paragraph (23) of Section
27 40-18-15(a), Code of Alabama 1975.

1 Section 2. Notwithstanding any other provision of
2 this Act, this act shall only become effective if the Alabama
3 Medicaid Agency enacts an administrative code change in 2011,
4 for fiscal year 2012, to reduce the rates paid to the
5 qualifying Medicaid providers below fiscal year 2010 levels.

6 Section 3. The provisions of this act are severable.
7 If any part of this act is declared invalid or
8 unconstitutional, that declaration shall not affect the part
9 which remains.

10 Section 4. The provisions of this act are severable.
11 If any part of this act is declared invalid or
12 unconstitutional, that declaration shall not affect the part
13 which remains.

14 Section 5. This act shall become effective upon its
15 passage and approval by the Governor, or upon its otherwise
16 becoming law.