

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 299

BY REVENUE AND TAXATION COMMITTEE

AN ACT

1 RELATING TO HOSPITALS; AMENDING SECTION 56-1404, IDAHO CODE, TO REVISE PRO-  
2 VISIONS REGARDING THE MAXIMUM HOSPITAL ASSESSMENT, TO PROVIDE FOR THE  
3 PURPOSES OF THE ASSESSMENT, AND TO PROVIDE A LIMITATION; AMENDING CHAP-  
4 TER 8, TITLE 57, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 57-810,  
5 IDAHO CODE, ESTABLISHING THE MEDICAID EXPANSION DEDICATED FUND.  
6

7 Be It Enacted by the Legislature of the State of Idaho:

8 SECTION 1. That Section 56-1404, Idaho Code, be, and the same is hereby  
9 amended to read as follows:

10 56-1404. ASSESSMENTS. (1) All private hospitals, except those ex-  
11 empted under section 56-1408, Idaho Code, shall make payments to the fund in  
12 accordance with this chapter. Subject to section 56-1410, Idaho Code, an an-  
13 nual assessment on both inpatient and outpatient services is determined for  
14 each qualifying hospital for each state fiscal year in an amount calculated  
15 by multiplying the rate, as set forth in subsections (2) (b) and (3) (b) of  
16 this section, by the assessment base, as set forth in subsection (5) of this  
17 section.

18 (2) (a) The department shall calculate the private hospital upper pay-  
19 ment limit gap for both inpatient and outpatient services. The upper  
20 payment limit gap is the difference between the maximum allowable pay-  
21 ments eligible for federal match, less medicaid payments not financed  
22 using hospital assessment funds. The upper payment limit gap shall be  
23 calculated separately for hospital inpatient and outpatient services.  
24 Medicaid disproportionate share payments shall be excluded from the  
25 calculation.

26 (b) The department shall calculate the upper payment limit assessment  
27 rate for each state fiscal year to be the percentage that, when multi-  
28 plied by the assessment base as defined in subsection (5) of this sec-  
29 tion, equals the upper payment limit gap determined in paragraph (a) of  
30 this subsection.

31 (3) (a) The department shall calculate the disproportionate share al-  
32 lotment amount to be paid to private in-state hospitals.

33 (b) The department shall calculate the disproportionate share assess-  
34 ment rate for private in-state hospitals to be the percentage that, when  
35 multiplied by the assessment base as defined in subsection (5) of this  
36 section, equals the amount of state funding necessary to pay the private  
37 in-state hospital disproportionate share allotment determined in para-  
38 graph (a) of this subsection.

39 (4) For private in-state hospitals, the assessments calculated pur-  
40 suant to subsections (2) and (3) of this section shall not be greater than  
41 ~~two and one-half percent (2.5%)~~ the maximum federal allowable tax percentage  
42 provided in 42 CFR 433.68 of the assessment base as defined in subsection (5)

1 of this section. Of this assessment, forty-five percent (45%) may be used  
2 for the purpose of meeting the requirements of this chapter, and fifty-five  
3 percent (55%) may be used for the purpose of funding the expansion of medic-  
4 aid eligibility pursuant to section 56-267, Idaho Code. Provided, however,  
5 the medicaid eligibility expansion portion of the hospital assessment under  
6 this section may not exceed forty-five percent (45%) of the state's share  
7 of medicaid eligibility expansion costs. Assessments shall be made after  
8 application of the funds received from the medicaid expansion dedicated fund  
9 established in section 57-810, Idaho Code, as necessary to fund medicaid  
10 eligibility expansion, subject to the limitations of this subsection.

11 (5) The assessment base shall be the hospital's net patient revenue  
12 for the applicable period. "Net patient revenue" for state fiscal year 2009  
13 shall be determined using the most recent data available from each hospi-  
14 tal's fiscal year 2004 medicare cost report on file with the department on  
15 June 30, 2008, without regard to any subsequent adjustments or changes to  
16 such data. Net patient revenue for each state fiscal year thereafter shall  
17 be determined in the same manner using a rolling yearly schedule for each  
18 hospital's fiscal year medicare cost report on file with the department on  
19 June 30 of each subsequent year without regard to any subsequent adjustments  
20 or changes to such data.

21 SECTION 2. That Chapter 8, Title 57, Idaho Code, be, and the same is  
22 hereby amended by the addition thereto of a NEW SECTION, to be known and des-  
23 ignated as Section 57-810, Idaho Code, and to read as follows:

24 57-810. MEDICAID EXPANSION DEDICATED FUND. (1) There is hereby cre-  
25 ated in the state treasury, the medicaid expansion dedicated fund to which  
26 shall be credited all moneys remitted pursuant to law, as well as donations  
27 or moneys from any other source. Moneys in the fund are intended to fund the  
28 cost of medicaid eligibility expansion and may be expended pursuant to ap-  
29 propriation.

30 (2) An amount of money shall be distributed to the state refund account  
31 sufficient to pay current refund claims under this section. All refunds au-  
32 thorized for payment by the state tax commission shall be paid through the  
33 state refund account, and those moneys are continuously appropriated.

34 (3) The remaining funds shall be applied to the cost of funding medicaid  
35 eligibility expansion.

36 (4) All interest earned on the investment of idle moneys in the fund  
37 shall be returned to the fund.

38 (5) The state tax commission shall promulgate such rules as are neces-  
39 sary to implement the provisions of this section.