

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 310

BY WAYS AND MEANS COMMITTEE

AN ACT

1 RELATING TO THE IDAHO ACCOUNTABLE COMMUNITY CARE ACT; AMENDING TITLE 56,
2 IDAHO CODE, BY THE ADDITION OF A NEW CHAPTER 17, TITLE 56, IDAHO CODE, TO
3 PROVIDE A SHORT TITLE, TO PROVIDE INTENT AND PURPOSE, TO DEFINE TERMS,
4 TO ESTABLISH THE IDAHO ACCOUNTABLE COMMUNITY CARE POLICY, TO ESTABLISH
5 THE IDAHO COORDINATED CARE PROGRAM, TO PROVIDE PROGRAM ELIGIBILITY
6 REQUIREMENTS AND TO PROVIDE FOR ENROLLMENT, TO PROVIDE FOR CERTAIN
7 CONTRACTS, TO PROVIDE THAT PROGRAM MEMBERS ON MEDICAID SHALL RECEIVE
8 CERTAIN SERVICES, TO PROVIDE FOR CARE MANAGEMENT AND MEMBER ACCOUNT-
9 ABILITY FOR PROGRAM MEMBERS ON MEDICAID, TO ESTABLISH CERTAIN GOVERNING
10 BOARDS, TO PROVIDE THAT PROGRAM MEMBERS INELIGIBLE FOR MEDICAID SHALL
11 RECEIVE CERTAIN SERVICES, TO PROVIDE FOR PRIMARY CARE FOR PROGRAM MEM-
12 BERS INELIGIBLE FOR MEDICAID, TO PROVIDE FOR CARE COORDINATION FOR
13 PROGRAM MEMBERS INELIGIBLE FOR MEDICAID, TO PROVIDE FOR CARE MANAGEMENT
14 AND MEMBER ACCOUNTABILITY FOR PROGRAM MEMBERS INELIGIBLE FOR MEDICAID,
15 TO PROVIDE FOR A CERTAIN REPORT, TO PROVIDE THAT PRESCRIPTION DRUGS FOR
16 MEMBERS SHALL BE PROCURED THROUGH CERTAIN MEANS, TO PROVIDE FOR THE AL-
17 LEVIATION OF PRIMARY CARE PROVIDER SCARCITY AND TO ESTABLISH A CERTAIN
18 FUND, TO REQUIRE CERTAIN HOSPITALS TO DEVELOP AND IMPLEMENT A CERTAIN
19 PLAN, TO PROVIDE AUTHORITY FOR THE DIRECTOR OF THE STATE DEPARTMENT OF
20 HEALTH AND WELFARE AND TO PROVIDE RULEMAKING AUTHORITY; AND AMENDING
21 SECTION 63-602D, IDAHO CODE, TO PROVIDE THAT A HOSPITAL MUST COMPLY WITH
22 CERTAIN PROVISIONS OF LAW IN ORDER TO RECEIVE AN EXEMPTION AND TO MAKE A
23 CODIFIER'S CORRECTION.
24

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

26 SECTION 1. That Title 56, Idaho Code, be, and the same is hereby amended
27 by the addition thereto of a NEW CHAPTER, to be known and designated as Chap-
28 ter 17, Title 56, Idaho Code, and to read as follows:

29 CHAPTER 17

30 IDAHO ACCOUNTABLE COMMUNITY CARE ACT

31 56-1701. SHORT TITLE. This chapter shall be known and may be cited as
32 the "Idaho Accountable Community Care Act."

33 56-1702. INTENT AND PURPOSE. It is the intent of the legislature to in-
34 stitute health care system reform that will decrease the cost of health care
35 while creating better outcomes for patients. To this end, the purpose of
36 this chapter is to ensure that:

37 (1) Accountability standards are established across the health care
38 delivery system;

1 (2) State investments in the health care system are made responsibly,
2 with proper oversight, and are focused on prevention, condition and disease
3 management, education and personal responsibility;

4 (3) Appropriate and affordable access to primary care, health care re-
5 sources and comprehensive health care is available; and

6 (4) Local control of health care is encouraged and focused on patient
7 care, reduction of waste, accountability within the industry and reduction
8 in costs.

9 56-1703. DEFINITIONS. As used in this chapter:

10 (1) "Alternative payment methodologies" means payments for health care
11 and services, other than fee-for-services payments, used by coordinated
12 care organizations as compensation for the provision of coordinated health
13 care and services.

14 (2) "Behavioral health provider" means a psychiatrist, psychologist or
15 other licensed health care provider whose practice focuses on the evaluation
16 and treatment of mental health and substance use disorders.

17 (3) "Contractor" means a coordinated care organization awarded a con-
18 tract as provided in section 56-1707, Idaho Code.

19 (4) "Coordinated care" means the management of a person's health to ac-
20 complish cost-effective care through the coordination of health care ser-
21 vices.

22 (5) "Coordinated care organization" means an organization that sat-
23 isfies criteria specified in rules of the state department of health and
24 welfare, which criteria must include alternative payment methodologies and
25 verification of financial sustainability as provided in section 56-1707,
26 Idaho Code.

27 (6) "Department" means the state department of health and welfare.

28 (7) "Director" means the director of the state department of health and
29 welfare.

30 (8) "Governing board" or "governing boards" means a board or the boards
31 established by section 56-1709, Idaho Code.

32 (9) "Health care services" means the furnishing of medicine, medical or
33 surgical treatment, nursing, hospital services, dental services, optomet-
34 rical services, and other services, whether or not contingent on sickness or
35 personal injury, for the purpose of preventing, alleviating, curing or heal-
36 ing human illness, physical disability or injury.

37 (10) "Idaho accountable community care policy" or "policy" means the
38 programs and provisions established by this chapter.

39 (11) "Idaho coordinated care program" or "program" means the program
40 established by section 56-1705, Idaho Code.

41 (12) "Medical assistance" or "medicaid" shall have the same meaning as
42 provided for "medical assistance" in section 56-201, Idaho Code.

43 (13) "Member" means a person enrolled in the Idaho coordinated care pro-
44 gram.

45 (14) "Primary care" means professional health services, including
46 health education and disease prevention, initial assessment of health
47 problems, treatment of certain acute and chronic health problems and the
48 overall management of an individual's health care services by a primary care
49 provider.

1 (15) "Primary care provider" means a person licensed under title 54,
2 Idaho Code, whose license enables such person to provide primary care.

3 56-1704. IDAHO ACCOUNTABLE COMMUNITY CARE POLICY. There is hereby
4 established in this state the Idaho accountable community care policy. The
5 policy shall consist of the programs and provisions established in this
6 chapter, which are intended to:

7 (1) Improve the health of Idahoans by increasing access to effective
8 health care services;

9 (2) Ensure affordability of effective health care services by imple-
10 menting measures to reduce costs; and

11 (3) Establish accountability standards for stakeholders in the health
12 care system, including hospitals, insurance companies, pharmaceutical com-
13 panies, patients and providers.

14 56-1705. IDAHO COORDINATED CARE PROGRAM. There is hereby established
15 in this state the Idaho coordinated care program, the purpose of which is to
16 deliver certain health care services through coordinated care to the state's
17 most vulnerable residents. The program shall be implemented and overseen by
18 the director as provided in this chapter.

19 56-1706. ELIGIBILITY FOR PROGRAM -- ENROLLMENT. (1) Persons eligible
20 for membership in the Idaho coordinated care program include:

21 (a) Persons eligible for medical assistance pursuant to chapter 2 of
22 this title; and

23 (b) Persons who:

24 (i) Are United States citizens;

25 (ii) Are Idaho residents as specified in department rule;

26 (iii) Are not covered by health insurance or eligible for em-
27 ployer-assisted health insurance;

28 (iv) Are not eligible for subsidies or credits that would enable
29 them to purchase insurance on the Idaho health insurance exchange;
30 and

31 (v) Have an annual income at or below one hundred percent (100%)
32 of the federal poverty level as specified in department rule.

33 (2) The department shall establish a procedure under which eligible
34 persons are enrolled as members in the program.

35 (3) It is the intent of the legislature that all eligible applicants
36 for the program be enrolled in the program, subject to available funding. If
37 funding is limited, priority for enrollment, in addition to those eligible
38 for medical assistance, shall be given to persons who have at least one (1) of
39 the following conditions:

40 (a) Asthma;

41 (b) Diabetes;

42 (c) Heart disease;

43 (d) Hypertension; or

44 (e) Obesity.

45 56-1707. CONTRACTS FOR THE PROVISION OF CERTAIN EXISTING MEDICAID
46 SERVICES. (1) The department shall award contracts to coordinated care orga-

1 nizations that ensure the provision of health care services and coordinated
2 care to program members on medical assistance in service areas designated
3 by the director. One (1) contract shall be awarded for each service area,
4 and there shall be no fewer than three (3) and no more than seven (7) service
5 areas in the state.

6 (2) The director shall establish by rule criteria for an organization
7 to qualify as a coordinated care organization, which criteria shall be spec-
8 ified in contracts awarded pursuant to subsection (1) of this section. The
9 criteria shall include the use of alternative payment methodologies and ver-
10 ification of financial sustainability to ensure that program expenditures
11 do not exceed funding.

12 56-1708. CARE MANAGEMENT AND MEMBER ACCOUNTABILITY. (1) A contractor
13 shall assure the assignment of care managers to members on medical assis-
14 tance in the contractor's service area whose health status is identified by
15 the contractor as being moderate or high risk according to a classification
16 system established by the contractor and approved by the department. Other
17 members on medical assistance may, at their request, be assigned care man-
18 agers, and the contractor shall make available care managers to such mem-
19 bers.

20 (2) Care managers shall assist members in developing personal health
21 care improvement plans. Such a plan shall identify the member's health goals
22 and the behaviors or actions necessary to attain the goals. Personal health
23 care improvement plans shall be filed with the contractor and be subject to
24 annual audits to monitor the member's progress in accomplishing goals artic-
25 ulated in the member's plan. The contractor shall establish procedures for
26 personal health care improvement plan audits.

27 (3) A contractor shall monitor and enforce measures for member account-
28 ability, which measures shall be established by the department and shall
29 be used to encourage members to be active participants in their own health
30 maintenance instead of passive recipients of care. Accountability measures
31 shall incentivize healthy lifestyle choices and the use of wellness and
32 preventive resources made available to members by the contractor. Measures
33 may also include penalties, such as premiums or co-pays, for failure to use
34 available wellness resources or for failure to otherwise engage in health
35 maintenance.

36 56-1709. GOVERNING BOARDS -- BYLAWS -- POWERS AND DUTIES. (1) Each
37 service area shall have a governing board to oversee the program for members
38 on medical assistance in that service area. Each governing board shall con-
39 sist of at least the following persons:

40 (a) A representative from the contractor for the service area, selected
41 by the contractor;

42 (b) A representative from each hospital system in the service area, se-
43 lected by the hospital system;

44 (c) A primary care provider who practices in the service area, selected
45 by the Idaho medical association; provided however, that such primary
46 care provider is not required to be a member of the Idaho medical associ-
47 ation;

1 (d) A behavioral health provider who practices in the service area, se-
2 lected by the regional behavioral health board for the region covering
3 some or all of the service area;

4 (e) An elected official residing in the service area, selected by the
5 director;

6 (f) A representative from a public health district covering some or all
7 of the service area, selected by the district board of health;

8 (g) A representative from each incorporated federally qualified health
9 center within the service area, selected by the incorporated federally
10 qualified health center;

11 (h) A representative from each rural health center in the service area,
12 selected by the rural health center; and

13 (i) A representative of the public whose professional or other experi-
14 ence has familiarized the representative with medicaid, selected by the
15 director and the contractor.

16 (2) The governing board shall establish bylaws for overseeing the
17 program for members on medical assistance in the governing board's service
18 area. The bylaws may provide for additional persons to serve on the board and
19 may establish selection criteria for such persons. The bylaws shall specify
20 terms of office for persons on the board.

21 (3) Each governing board shall have the power and the duty to:

22 (a) Provide strategic direction and oversight for the program in the
23 board's service area;

24 (b) Ensure program transparency and accountability to the communities
25 in the service area;

26 (c) Solicit donations and resources for the program from stakeholder
27 organizations and others;

28 (d) Ensure compliance with this chapter and other applicable laws, reg-
29 ulations and rules;

30 (e) Establish an annual strategic plan and work plan for the contrac-
31 tor;

32 (f) Establish performance and quality standards for the contractor and
33 evaluate the contractor's performance;

34 (g) Perform other duties assigned in the contract for the service area
35 or by department rule;

36 (h) Approve policies and procedures proposed by the contractor; and

37 (i) Provide the department with program information requested by the
38 department, as provided in department rule.

39 56-1710. PROGRAM SERVICES FOR NON-MEDICAID MEMBERS. (1) Subject to
40 available funding, members who are not eligible for medicaid shall receive
41 primary care, coordinated care and care management under the program from
42 an eligible primary care provider of the member's choice as provided in sec-
43 tions 56-1711, 56-1712 and 56-1713, Idaho Code, and prescription pricing as
44 provided in section 56-1715, Idaho Code.

45 (2) Any primary care provider is eligible for payment from the depart-
46 ment for the provision of primary care, coordinated care and care management
47 to a member ineligible for medicaid if the provider:

48 (a) Engages in a coordinated care business model;

- 1 (b) Offers the care and services required by sections 56-1711, 56-1712
 2 and 56-1713, Idaho Code, for one thousand dollars (\$1,000) annually or
 3 less per member; and
 4 (c) Enters an Idaho coordinated care program agreement with the depart-
 5 ment. As part of the agreement, the provider shall submit certain in-
 6 formation to the department as required by section 56-1714, Idaho Code.
 7 The department shall not exclude any provider from entering an agree-
 8 ment as long as the provider is willing to comply with the provisions of
 9 this section.

10 56-1711. PRIMARY CARE FOR NON-MEDICAID MEMBERS. (1) Subject to avail-
 11 able funding, the department shall pay for the primary care of members ineli-
 12 gible for medicaid.

13 (2) The scope of primary care that must be offered by a primary care
 14 provider to enter an Idaho coordinated care program agreement with the de-
 15 partment must include at least the following:

- 16 (a) Services:
 17 (i) Annual wellness exam;
 18 (ii) Primary care visits;
 19 (iii) Same-day or next-day visits;
 20 (iv) Electronic communications (telephone, electronic mail, text
 21 message or video chat); and
 22 (v) Weight management planning;
 23 (b) Procedures:
 24 (i) Electrocardiogram;
 25 (ii) Injection fee;
 26 (iii) Ingrown toenail removal;
 27 (iv) Foreign body removal; and
 28 (v) Skin lesion removal or destruction (cryotherapy);
 29 (c) Complex care:
 30 (i) Diabetes management;
 31 (ii) Hypertension management;
 32 (iii) Hyperlipidemia (cholesterol) management;
 33 (iv) Mental health screening;
 34 (v) Hospital follow-up; and
 35 (vi) Pre-operative examinations; and
 36 (d) Labs and imaging:
 37 (i) Urinalysis;
 38 (ii) Urine pregnancy test; and
 39 (iii) Rapid strep test.

40 56-1712. COORDINATED CARE FOR NON-MEDICAID MEMBERS. Subject to avail-
 41 able funding, the department shall pay for the care coordination of members
 42 ineligible for medicaid. Care coordination for a member must be provided by
 43 the primary care provider who, pursuant to an Idaho coordinated care pro-
 44 gram agreement, is providing primary care to the member pursuant to sections
 45 56-1710 and 56-1711, Idaho Code, or by someone designated by such provider.
 46 Under no circumstances may the department or a department employee coordi-
 47 nate care for a member ineligible for medicaid.

1 56-1713. CARE MANAGEMENT AND ACCOUNTABILITY FOR NON-MEDICAID MEM-
2 BERS. (1) Subject to available funding, the department shall pay for the
3 care management of members ineligible for medicaid. Care management must be
4 provided by the primary care provider who, pursuant to an Idaho coordinated
5 care program agreement, is providing primary care to the member pursuant
6 to sections 56-1710 and 56-1711, Idaho Code, or by someone designated by
7 such provider. Under no circumstances may the department or a department
8 employee provide care management for a member ineligible for medicaid.

9 (2) Care managers shall assist members ineligible for medicaid in
10 developing personal improvement plans. Such a plan shall identify the mem-
11 ber's goals, which may be related to health, finances, relationships, and
12 other personal matters, and the behaviors or actions necessary to attain
13 the goals. Personal improvement plans shall be filed with the primary care
14 provider and be subject to annual review to monitor the member's progress
15 in accomplishing goals articulated in the member's plan. The department
16 shall establish by rule procedures for annual review of personal improvement
17 plans.

18 (3) A primary care provider or the provider's designee shall monitor
19 and enforce measures for member accountability, which measures shall be es-
20 tablished by the department and shall be used to encourage members to be ac-
21 tive participants in their own health maintenance instead of passive recip-
22 ients of care. Accountability measures shall incentivize healthy lifestyle
23 choices and the use of wellness and preventive resources made available to
24 members by the primary care provider. Measures may also include penalties,
25 such as premiums or co-pays, for failure to use available wellness resources
26 or for failure to otherwise engage in health maintenance.

27 56-1714. REPORT. (1) The director shall establish standards to moni-
28 tor the program and its effectiveness in maintaining or improving the health
29 of members, in containing or reducing health care costs and in achieving such
30 other purposes as are consistent with the provisions of this chapter. By
31 January 31 of each year, the director shall report to the senate and the house
32 of representatives health and welfare committees on the status of the pro-
33 gram and on whether the purposes of this chapter are being fulfilled.

34 (2) The department shall specify in rule the data and information the
35 department needs to prepare the annual report required by subsection (1) of
36 this section. Contractors, governing boards and primary care providers of-
37 fering care and services pursuant to sections 56-1710 through 56-1713, Idaho
38 Code, shall furnish to the department all such data and information; pro-
39 vided however, that any data and information on individual members must be
40 provided in a manner that preserves patient confidentiality.

41 56-1715. PRESCRIPTION DRUGS. Prescription drugs intended for use by
42 members shall be procured through the federal 340B drug pricing program un-
43 less other procurement arrangements made by the department would result in a
44 lower price.

45 56-1716. ALLEVIATION OF PRIMARY CARE PROVIDER SCARCITY. (1) The leg-
46 islature finds that a primary care provider scarcity in this state limits

1 Idahoans' access to appropriate and affordable primary care. It is there-
2 fore the intent of the legislature to alleviate this scarcity by:

3 (a) Substantially increasing the number of family medicine residencies
4 available in this state; and

5 (b) Providing incentives for primary care providers to practice in this
6 state, especially in areas of scarcity as designated by the director.

7 (2) The director shall identify and, by January 31, 2018, report to the
8 senate and the house of representatives health and welfare committees:

9 (a) The areas of primary care provider scarcity within this state;

10 (b) The approximate number of primary care providers who could reason-
11 ably serve the needs of each area; and

12 (c) The actions necessary to establish such number of primary care
13 providers within each area, including a proposed increase in family
14 medicine residencies throughout the state and the funding necessary to
15 allow for such an increase.

16 (3) The director is authorized to cooperate with the state board of ed-
17 ucation and other relevant parties in preparing the report required by sub-
18 section (2) of this section.

19 (4) An area of scarcity designated under this section may include, but
20 shall not be limited to, health professional shortage areas as designated by
21 the United States department of health and human services. Identifying an
22 area of scarcity shall be at the director's discretion; provided however,
23 that the director shall explain the rationale for such identification in the
24 report required by subsection (2) of this section.

25 (5) There is hereby established in the state treasury a fund to be known
26 as the primary care physician loan repayment fund. Moneys in the fund shall
27 consist of legislative appropriations and shall be used for the purpose of
28 assisting physicians with loan repayments for up to four (4) years if such
29 physicians have committed to practicing as primary care providers in areas
30 of scarcity in Idaho as identified by the director. A physician must com-
31 plete at least two (2) years of practice in an area of scarcity before quali-
32 fying for assistance with loan repayment and must meet other criteria as es-
33 tablished by the department in rule. The state treasurer shall disburse mon-
34 eys from the fund in accordance with instructions from the director, the pro-
35 visions of this section and the provisions of applicable department rules.

36 56-1717. ACCESS TO APPROPRIATE NON-EMERGENT CARE. (1) It is the in-
37 tent of the legislature that patients in Idaho receive cost-effective care
38 in an appropriate environment. As such, hospitals in this state that qualify
39 for an exemption according to the provisions of section 63-602D, Idaho Code,
40 shall establish a plan whereby patients who do not require emergency care and
41 who desire to seek care that is more appropriate than care in the emergency
42 department will be informed of available choices.

43 (2) A hospital subject to the requirements of subsection (1) of this
44 section shall, as part of its plan, establish a process to facilitate in-
45 formed patient choice, when appropriate, to seek medical home services at
46 or near the emergency department where patients may choose to establish care
47 and receive appropriate non-emergent care. An exemption to this requirement
48 shall be granted by the director if a hospital makes a showing of undue burden
49 for enabling such choice. As used in this section, "medical home" shall have

1 the same meaning as provided for "medical home" in section 31-3502, Idaho
2 Code.

3 (3) A hospital subject to this section shall file its plan with the di-
4 rector and establish procedures for facilitating patient choice within one
5 (1) year of the effective date of this chapter. The plan shall be fully im-
6 plemented and operational within three (3) years of the effective date of
7 this chapter.

8 (4) A hospital that receives its initial license after the effective
9 date of this chapter shall file with the director, immediately upon such li-
10 censure, its plan as required by this section, and the plan must be opera-
11 tional immediately upon such licensure. Provided however, that the director
12 may allow more time to hospitals licensed within three (3) years of the ef-
13 fective date of this chapter.

14 (5) A hospital that fails to comply with the provisions of this section
15 shall not be eligible for an exemption provided in section 63-602D, Idaho
16 Code.

17 56-1718. AUTHORITY OF THE DIRECTOR. (1) The director is hereby autho-
18 rized:

19 (a) To implement and administer the provisions of this chapter and to
20 carry out such acts as are necessary for implementation and administra-
21 tion; and

22 (b) To seek any federal waivers necessary to implement the provisions
23 of this chapter or to qualify for additional federal funding, subject
24 to final approval by the legislature before the acceptance of federal
25 funds that would impose new requirements on the state, other than re-
26 porting the use of the funds.

27 (2) If block grants relevant to the purposes of this chapter are made
28 available by the federal government, the director shall apply for a block
29 grant to fund or assist in funding the programs and provisions of this chap-
30 ter.

31 (3) Members of the program who are not on medical assistance may be
32 provided with care and services in addition to those specified in sections
33 56-1710 through 56-1713, Idaho Code, if funding is available.

34 56-1719. RULEMAKING. The department is authorized to promulgate such
35 rules as are necessary to implement and enforce the provisions of this chap-
36 ter.

37 SECTION 2. That Section 63-602D, Idaho Code, be, and the same is hereby
38 amended to read as follows:

39 63-602D. PROPERTY EXEMPT FROM TAXATION -- CERTAIN HOSPITALS. (1) For
40 the purposes of this section, "hospital" means a hospital as defined by chap-
41 ter 13, title 39, Idaho Code, and includes one (1) or more acute care, out-
42 reach, satellite, outpatient, ancillary or support facilities of such hos-
43 pital whether or not any such individual facility would independently sat-
44 isfy the definition of hospital.

45 (2) The following property is exempt from taxation: the real property
46 owned and personal property, including medical equipment, owned or leased

1 by a hospital corporation or a county hospital or hospital district which is
2 operated as a hospital and the necessary grounds used therewith.

3 (3) If real property, not currently exempt from taxation, is being pre-
4 pared for use as a hospital, the value of the bare land only shall be taxed
5 while the property is being prepared for use as a hospital. All improvements
6 to and construction on the real property, while it is being prepared for use
7 as a hospital, shall be exempt from taxation. For purposes of this section,
8 property is being "prepared for use as a hospital" if the corporation has be-
9 gun construction of a hospital project as evidenced by obtaining a building
10 permit that will, on completion, qualify such property for an exemption and,
11 as of the assessment date, has not abandoned the construction. Construc-
12 tion shall not be considered abandoned if it has been delayed by causes and
13 circumstances beyond the corporation's control or when delay is caused by
14 an event that has occurred in the absence of the corporation's willful ne-
15 glect or intentional acts, omissions or practices engaged in by the corpora-
16 tion for the purpose of impeding progress. Notwithstanding the foregoing,
17 in no event shall improvements to property that is being prepared for use as
18 a hospital qualify for an exemption from ad valorem property tax under this
19 subsection for more than three (3) consecutive tax years; upon completion of
20 construction and obtaining a certificate of occupancy, the entire real prop-
21 erty shall be exempt from taxation if the corporation meets the requirements
22 of subsection (4) of this section; provided, property already exempt or el-
23 igible for exemption shall not be affected by the provisions of this subsec-
24 tion.

25 (4) The corporation must show that the hospital:

26 (a) Is organized as a nonprofit corporation pursuant to chapter 30, ti-
27 tle 30, Idaho Code, or pursuant to equivalent laws in its state of incor-
28 poration;

29 (b) Has received an exemption from taxation from the Internal Revenue
30 Service pursuant to section 501(c)(3) of the Internal Revenue Code.

31 (5) The board of equalization shall grant an exemption to the property
32 of: (a) a county hospital; (b) a hospital district; or (c) any hospital cor-
33 poration meeting the criteria provided in subsection (4) of this section.

34 (6) If a hospital corporation uses property for business purposes from
35 which a revenue is derived which is not directly related to the hospital cor-
36 poration's exempt purposes, then the property shall be assessed and taxed
37 as any other property. If property is used in part by a hospital corpora-
38 tion for such purposes, then the assessor shall determine the value of the
39 entire property and the value of the part used that is not directly related to
40 the hospital corporation's exempt purposes. If the value of the part which
41 is not directly related to the hospital corporation's exempt purposes is de-
42 termined to be three percent (3%) or less than the value of the entire prop-
43 erty, then the property shall remain exempt. If the value of the part which
44 is not directly related to the hospital corporation's exempt purposes is de-
45 termined to be more than three percent (3%) of the value of the entire prop-
46 erty, then the assessor shall assess the proportionate part of the property,
47 including the value of the real estate used for such purposes.

48 (7) A hospital corporation issued an exemption from property taxation
49 pursuant to this section and operating a hospital having one hundred fifty
50 (150) or more patient beds shall prepare a community benefits report to be

1 filed with the board of equalization by December 31 of each year. The report
2 shall itemize the hospital's amount of unreimbursed services for the prior
3 year (including charity care, bad debt, and underreimbursed care covered
4 through government programs); special services and programs the hospital
5 provides below its actual cost; donated time, funds, subsidies and in-kind
6 services; additions to capital such as physical plant and equipment; and
7 indication of the process the hospital has used to determine general commu-
8 nity needs which coincide with the hospital's mission. The report shall be
9 provided as a matter of community information. Neither the submission of
10 the report nor the contents shall be a basis for the approval or denial of a
11 corporation's property tax exemption.

12 (8) A hospital must comply with the provisions of section 56-1717,
13 Idaho Code, in order to receive an exemption under this section.