

2024 -- S 2602

LC005257

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2024

A N A C T

RELATING TO TAXATION -- NURSING FACILITIES PROVIDER ASSESSMENT ACT

Introduced By: Senator Samuel W. Bell

Date Introduced: March 01, 2024

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 44-51-3 of the General Laws in Chapter 44-51 entitled "Nursing
2 Facility Provider Assessment Act" is hereby amended to read as follows:

3 **44-51-3. Imposition of assessment — Nursing facilities.**

4 (a) For purposes of this section, [the following words and phrases are construed as follows:](#)

5 [\(1\) a "nursing Nursing facility"](#) means a person or governmental unit licensed in
6 accordance with chapter 17 of title 23 to establish, maintain, and operate a nursing facility.

7 [\(2\) "Intermediate care facility for individuals with intellectual disabilities" or "intermediate](#)
8 [care facility" means a residential facility for persons with intellectual disabilities that is certified to](#)
9 [meet the requirements of 42 CFR 442. Subpart C.](#)

10 (b)[\(1\)](#) An assessment is imposed upon the gross patient revenue received by every nursing
11 facility in each month beginning January 1, 2008, at a rate of five and one-half percent (5.5%) for
12 services provided on or after January 1, 2008. Every provider shall pay the monthly assessment no
13 later than the twenty-fifth (25th) day of each month following the month of receipt of gross patient
14 revenue.

15 [\(2\)](#) An assessment is imposed upon the gross patient revenue received by every
16 intermediate care facility in each month beginning July 1, 2024, at a rate of five and one-half
17 percent (5.5%) for services provided on or after July 1, 2024. Every provider shall pay the monthly
18 assessment no later than the twenty-fifth day of each month following the month of receipt of gross
19 patient revenue.

1 (c) The assessment imposed by this section shall be repealed on the effective date of the
2 repeal or a restricted amendment of those provisions of the Medicaid Voluntary Contribution and
3 Provider-Specific Tax Amendments of 1991 (P.L. 102-234) that permit federal financial
4 participation to match state funds generated by taxes.

5 (d) If, after applying the applicable federal law and/or rules, regulations, or standards
6 relating to health care providers, the tax administrator determines that the assessment rate
7 established in subsection (b) of this section exceeds the maximum rate of assessment that federal
8 law will allow without reduction in federal financial participation, then the tax administrator is
9 directed to reduce the assessment to a rate equal to the maximum rate which the federal law will
10 allow without reduction in federal participation. Provided, however, that the authority of the tax
11 administrator to lower the assessment rate established in subsection (b) of this section shall be
12 limited solely to such determination.

13 (e) In order that the tax administrator may properly carry out his/her responsibilities under
14 this section, the director of the department of human services shall notify the tax administrator of
15 any damages in federal law and/or any rules, regulations, or standards which affect any rates for
16 health care provider assessments.

17 SECTION 2. Rhode Island Medicaid Reform Act of 2008 Resolution.

18 WHEREAS, The General Assembly enacted Chapter 12.4 of Title 42 entitled “The Rhode
19 Island Medicaid Reform Act of 2008”; and

20 WHEREAS, A legislative enactment is required pursuant to Rhode Island general laws
21 section 42-12.4-1, et seq.; and

22 WHEREAS, Rhode Island general laws section 42-7.2-5(3)(i) provides that the secretary
23 of the executive office of health and human services is responsible for the review and coordination
24 of any Medicaid section 1115 demonstration waiver requests and renewals as well as any initiatives
25 and proposals requiring amendments to the Medicaid state plan or category II or III changes as
26 described in the demonstration, “with potential to affect the scope, amount, or duration of publicly-
27 funded health care services, provider payments or reimbursements, or access to or the availability
28 of benefits and services provided by Rhode Island general and public laws”; and

29 WHEREAS, In pursuit of a more cost-effective consumer choice system of care that is
30 fiscally sound and sustainable, the secretary requests legislative approval of the following proposal
31 to amend the demonstration; and

32 WHEREAS, Implementation of adjustments may require amendments to the Rhode
33 Island’s Medicaid state plan and/or section 1115 waiver under the terms and conditions of the
34 demonstration. Further, adoption of new or amended rules, regulations and procedures may also

1 be required; Now therefore be it:

2 RESOLVED, That the executive office of health and humans services proposes to add
3 intermediate care facilities to the nursing facility tax;

4 RESOLVED, That the secretary of the executive office of health and human services is
5 authorized to pursue and implement any waiver amendments, state plan amendments, and/or
6 changes to the applicable department's rules, regulations and procedures approved herein and as
7 authorized by Rhode Island General Laws section 42-12-4; and be it further;

8 RESOLVED, That the Secretary of State be and hereby is authorized and directed to
9 transmit duly certified copies of this resolution to the governor of the State of Rhode Island and to
10 the Rhode Island executive office of health and human services.

11 SECTION 3. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

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1 This act would provide a definition for intermediate care facility for individuals with
2 intellectual disabilities and would include the facilities under the nursing facility assessment and
3 would include a Joint Resolution to amend the Medicaid Section 1115 Demonstration waiver
4 request to authorize the addition of the intermediate care facilities to the tax.

5 This act would take effect upon passage.

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