

HCS HB 740 -- HEALTH CARE PROVIDER TAX

SPONSOR: Icet

COMMITTEE ACTION: Voted "do pass by consent" by the Committee on Budget by a vote of 26 to 0.

This substitute extends the expiration date from June 30, 2009, to September 30, 2011, for the Missouri Medicaid Program's managed care organization reimbursement allowance in Sections 208.431 - 208.437, RSMo, and the pharmacy tax in Sections 338.500 - 338.550.

The expiration date of the federal reimbursement allowance assessment in Sections 208.453 - 208.480 is extended from September 30, 2009, to September 30, 2011, and the intermediate care facility for the mentally retarded provider assessment is extended from June 30, 2009, to September 30, 2011.

The substitute contains an emergency clause.

FISCAL NOTE: No impact on state funds in FY 2010, FY 2011, and FY 2012.

PROPONENTS: Supporters say that the health care provider tax, known as the federal reimbursement allowance (FRA) is really just a short-term loan. The state levies a tax on these providers to take advantage of federal Medicaid matching funds and then reimburses the providers through appropriations from the federal funds. The current state budget maximizes the use of the FRA. In Fiscal Year 2008, the FRA and other provider taxes provided 21.3% of funding for the MO HealthNet Program.

Testifying for the bill were Representative Icet; Missouri Pharmacy Association; Missouri Hospital Association; Department of Social Services; and Department of Mental Health.

OPPONENTS: There was no opposition voiced to the committee.