

SS#3 SCS SB 29 -- REIMBURSEMENT ALLOWANCE TAXES

SPONSOR: Hegeman

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Budget by a vote of 29 to 0. Voted "Do Pass" by the Standing Committee on Rules- Legislative Oversight by a vote of 8 to 0.

This bill extends the sunsets from September 30, 2019 to September 30, 2020, for the Ground Ambulance, Nursing Facility, Medicaid Managed Care Organization, Hospital, Pharmacy, and Intermediate Care Facility for the Intellectually Disabled Reimbursement Allowance taxes.

This bill is similar to HB 1053 (2019) and HB 1410 (2018).

PROPOSERS: Supporters say that the Health Care Provider Tax, known as the Federal Reimbursement Allowance (FRA) is really just a short-term loan. Beginning in 1992, the state has levied a tax on these providers to take advantage of federal Medicaid matching funds and then reimbursed the providers through appropriations from the federal funds. This bill extends the sunset on these taxes one year to 2020.

Testifying for the bill were Senator Hegeman; Missouri Hospital Association; Associated Industries of Missouri; Missouri Chamber of Commerce; SSM Health; St Luke's Health System; MO Health Care Association; BJC; Mosaic; MO Ambulance; Caleb Neeley, Department of Social Services; and Cox Health.

OPPOSERS: There was no opposition voiced to the committee.