

HCS HB 236 -- FEDERAL REIMBURSEMENT ALLOWANCES

SPONSOR: Silvey (Kelly, 24)

COMMITTEE ACTION: Voted "do pass" by the Committee on Budget by a vote of 25 to 0 with 2 present.

This substitute extends the expiration date of various federal reimbursement allowances from September 30, 2011, to September 30, 2016, including:

- (1) The ground ambulance service reimbursement allowance in Sections 190.800 - 190.839, RSMo;
- (2) The nursing facility reimbursement allowance in Sections 198.401 - 198.436;
- (3) The Missouri Medicaid Program's managed care organization reimbursement allowance in Sections 208.431 - 208.437;
- (4) The hospital reimbursement allowance in Sections 208.453 - 208.480;
- (5) The pharmacy reimbursement allowance in Sections 338.500 - 338.550; and
- (6) The assessment on intermediate care facilities for the mentally retarded in Section 633.401.

FISCAL NOTE: No impact on Other State Funds in FY 2012, FY 2013, and FY 2014.

PROPOSERS: Supporters say that since 1991, more than \$10 billion has been received to fund health care in Missouri. The health care provider tax, known as the federal reimbursement allowance, is an assessment on health care providers that works like 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. This is the first year ambulance services will be included, and it will generate an estimated \$13 million in matching funds. Currently, 38 states participate in federal reimbursement allowances to receive federal matching funds.

Testifying for the bill were Representative Kelly (24); Department of Social Services; Missouri Hospital Association; Missouri Health Care Association; John Haden, Missouri Nursing Association; Missouri Pharmacy Association; and Missouri Ambulance Association.

OPPONENTS: There was no opposition voiced to the committee.