

HCS SB 322 -- FEDERAL REIMBURSEMENT ALLOWANCES AND THE MISSOURI RX PLAN

SPONSOR: Schaefer (Silvey)

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

This substitute extends the provisions regarding 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 tax reimbursement allowance in Sections 338.500 - 338.550; and
- (6) The assessment on intermediate care facilities for the mentally retarded in Section 633.401.

The substitute also removes the provision terminating the Missouri Rx Program following notice to the Missouri Revisor of Statutes by the Missouri Rx Plan Advisory Commission that the Medicare Prescription Drug, Improvement and Modernization Act of 2003 has been fully implemented and extends the expiration date on the provisions regarding the Missouri Rx Plan from August 28, 2011, to August 28, 2015.

FISCAL NOTE: No impact on General Revenue Fund in FY 2012, FY 2013, and FY 2014. Estimated Net Cost on Other State Funds of \$19,602,166 in FY 2012, FY 2013, and FY 2014.

PROPOSERS: Supporters say that more than \$10 billion has been received to fund health care in Missouri since 1991. 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. Currently, 38 states participate in federal reimbursement

allowances to receive federal matching funds. The substitute re-authorizes for five years the Missouri Rx Plan, the first time since its inception in 2006. The plan is a very important pharmaceutical assistance program that provides crucial financial assistance to low-income elderly and disabled individuals. Currently, approximately 207,000 Missourians are in the program.

Testifying for the bill were Representative Kelly (24) for Senator Schaefer; Missouri Hospital Association; Missouri Health Care Association; and Missouri Pharmacy Association.

OPPONENTS: There was no opposition voiced to the committee.