

HCS SCS SB 210 -- FEDERAL REIMBURSEMENT ALLOWANCES

SPONSOR: Schaefer (Flanigan)

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Select Committee on Budget by a vote of 12 to 6.

This bill extends the sunsets from September 30, 2015 to September 30, 2016, for the Ground Ambulance, Nursing Facility, Medicaid Managed Care Organization, Hospital, Pharmacy, and Intermediate Care Facility for the Intellectually Disabled Reimbursement Allowance Taxes. The MO HealthNet division cannot recover disproportionate share hospital audit recoupments from Truman Hospital when an intergovernmental transfer was used for the non-federal share of its disproportionate share hospital payments. The bill prohibits general revenue funds from being used to offset any expenditure of funds to pay recoupments to the federal government.

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 just extends the sunset on these taxes one year to 2016 while HB 760 extends it three years to 2018.

Testifying for the bill were Senator Schaefer; Missouri Hospital Association; University Of Missouri; SSM Health Care; BJC Health Care Systems; Mosaic Healthcare; Cox Healthcare; Missouri Ambulance Association; Missouri Pharmacy Association; and Missouri Health Care Association.

OPPOSERS: There was no opposition voiced to the committee.

OTHERS: Others testifying on the bill say that unlike most hospitals, patients at Truman Hospital are uninsured or on Medicaid. It is a primary teaching hospital and treats 12% of all uncompensated care of the state. The way the FRA works with Truman Hospital is that the hospital does an intergovernmental transfer. With hospital audits, Truman is required to pay disproportionate share recoupments on funds it didn't receive. All other hospitals get a payment back for the tax. Truman provided proposed language so it doesn't have this inequity for the HB 760 and requests it for this bill also.

Testifying on the bill was Truman Medical Centers.