

1 HB187
2 156114-3
3 By Representative Ison (N & P)
4 RFD: Mobile County Legislation
5 First Read: 14-JAN-14

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ENROLLED, An Act,

Relating to Class 2 municipalities; to allow any federal Program for All Inclusive Care for the Elderly (PACE program) in a Class 2 municipality to contribute to the Alabama Health Care Trust Fund by providing for assessments on the business activities of a PACE provider.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. This act shall apply only in a Class 2 municipality and would provide for a federal Program for All Inclusive Care for the Elderly (PACE program) with its principal place of business in a Class 2 municipality to contribute to the Alabama Health Care Trust Fund.

~~Section 2. The intent of this act is to allow a PACE provider in the State of Alabama to continue to provide services to nursing home eligible patients as the PACE program provides treatment to these patients for fewer taxpayer dollars than other programs currently existing in the state. The Legislature declares that this act is broad based in nature and that the entire PACE industry in Alabama exists in Class 2 municipalities. The Legislature further declares the state interest of promoting proper medical treatment of nursing home eligible patients.~~

The intent of this act is to allow the only PACE provider in the State of Alabama to continue to provide

1 services to nursing home eligible patients as the PACE program
2 provides treatment to patients for fewer federal and state
3 taxpayer dollars than other programs existing in the state.
4 The Legislature declares that this act is broad-based in
5 nature as the assessment herein is imposed on all health care
6 or services in the class of providers and is uniformly imposed
7 across all providers. The Legislature further declares that
8 the entire PACE industry in Alabama exists only in Class 2
9 municipalities. The Legislature further recognizes that a
10 Class 2 municipality bill is a general bill under the Alabama
11 Constitution.

12 Section 3. For the purposes of this act, the
13 following words have the following meanings:

14 (1) DEPARTMENT. The State Department of Revenue.

15 (2) FISCAL YEAR. An accounting period of 12 months
16 beginning on the first day of the first month of the state
17 fiscal year.

18 (3) MEDICAID PROGRAM. The medical assistance program
19 as established in Title XIX of the Social Security Act and as
20 administered in the State of Alabama by the Medicaid Agency
21 pursuant to executive order and Title 560 of the Alabama
22 Administrative Code.

23 (4) PACE PROVIDER. PACE means a provider under the
24 federal Program for All Inclusive Care for the Elderly
25 operated by a public, private, nonprofit, or proprietary

1 entity, as permitted by federal law as defined at 42 C.F.R.
2 §460.6, as amended and supplemented.

3 Section 4. Each PACE provider providing services in
4 a Class 2 municipality shall be licensed by the Department of
5 Public Health which shall, from time to time, as it deems
6 desirable, promulgate such reasonable rules as necessary to
7 provide for the delivery of health care by the PACE provider
8 in this state.

9 Section 5. To provide further for the availability
10 of indigent health care in a Class 2 municipality, there is
11 levied and shall be collected as provided in this act a
12 privilege assessment on the business activities of each
13 provider of a PACE program with its principal place of
14 business in a Class 2 municipality. The privilege assessment
15 imposed by this act shall be in addition to all other taxes of
16 any kind and imposed by law and shall be at a rate of five
17 percent of the ~~gross annual receipts~~ net patient revenues of
18 the organization.

19 Section 6. (a) The assessment imposed by this act
20 shall be due and payable to the department on or before the
21 twentieth day of the month next succeeding the month in which
22 the assessment accrues and, when collected, shall be paid by
23 the department into the State Treasury. Payment by United
24 States mail shall be timely if mailed in accordance with
25 Section 40-1-45, Code of Alabama 1975. When paid into the

1 State Treasury, all such taxes shall be deposited to the
2 credit of the Alabama Health Care Trust Fund or any successor
3 fund administered by or on behalf of the Medicaid Agency.

4 (b) The receipts from the assessment levied in this
5 act shall be solely available for appropriation by the
6 Legislature to the Medicaid Agency for use by the agency in
7 accomplishing the purposes of this act.

8 Section 7. Any PACE provider that fails to pay the
9 assessment levied by this act within the time required by this
10 act shall pay, in addition to the assessment, a penalty of 10
11 percent of the amount of assessment due, together with
12 interest thereon at the rate prescribed by Section 40-1-44,
13 Code of Alabama 1975, the penalty and interest to be assessed
14 and collected as part of the taxes. Provided, however, the
15 department, if a good and sufficient reason is shown, may
16 waive or remit the penalty of 10 percent or a portion thereof.
17 If payment is not received by the last day of the month, the
18 department shall notify the Medicaid Agency which shall
19 determine whether the PACE provider is a Medicaid provider,
20 and if so, shall withhold the payment, interest, and penalty
21 due from any reimbursement due the provider under the Medicaid
22 program. The assessment levied by this act shall constitute a
23 debt due the State of Alabama and may be collected by civil
24 action in addition to the methods provided in this act. The

1 department is empowered to assess, file liens, and collect the
2 assessments levied by this act as prescribed in this title.

3 Section 8. (a) It shall be the duty of each PACE
4 provider subject to this act to keep and preserve suitable
5 books and records as may be necessary to determine the amount
6 of assessment for which it is liable under this act. The books
7 and records shall be kept and preserved for a period of not
8 less than three years, and all books and records shall be open
9 for examination during business hours by the department or its
10 duly authorized agents.

11 (b) All information secured pursuant to this act by
12 the department shall be confidential, except that the
13 department may provide such information to the Medicaid Agency
14 as necessary for the proper administration of the Medicaid
15 program, or for the department's proper administration of the
16 assessment levied by this act.

17 (c) The department, from time to time, as it deems
18 desirable, shall promulgate reasonable rules as necessary to
19 provide for the orderly and efficient administration of the
20 assessment levied by this act.

21 Section 9. (a) The Medicaid Agency shall use the
22 revenues from the assessment levied by this act in furtherance
23 of the purposes of this act, provided that the uses shall be
24 limited to those for which federal financial participation
25 under Title XIX of the Social Security Act is available.

1 (b) Any reimbursement due a PACE provider under the
2 Medicaid program shall be paid in a timely fashion. If the
3 amount payable is not in dispute and is not paid by the
4 Medicaid Agency within 30 days of the due date, interest on
5 the amount due shall be charged. The interest shall be the
6 legal amount currently charged by the state.

7 Section 10. No revenues resulting from the
8 assessment established by this act and applied to increases in
9 covered services or reimbursement levels or other enhancements
10 of the Medicaid program adopted by the Medicaid Agency as a
11 result of revenues made available under the assessment levied
12 by this act shall be subject to reduction or elimination while
13 the assessment is in effect.

14 Section 11. This act shall be of no effect if
15 federal financial participation under Title XIX of the Social
16 Security Act is not available to the Medicaid program for the
17 purposes of this act at the approved federal medical
18 assistance percentage, established under Section 1905 of the
19 Social Security Act, for the applicable fiscal year, or in the
20 event a contract for services between the PACE program and the
21 State of Alabama Medicaid Agency or Regional Care Organization
22 is not executed by September 30, 2014, and by the end of each
23 subsequent state fiscal year thereafter.

24 Section 12. This act shall become effective
25 immediately following its passage and approval by the

1 Governor, or its otherwise becoming law, except any assessment
2 pursuant to this act shall not become effective until October
3 1, 2014.

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Speaker of the House of Representatives

President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in
and was passed by the House 12-FEB-14.

Jeff Woodard
Clerk

Senate	<hr/> 25-FEB-14 <hr/>	Amended and Passed
House	<hr/> 27-FEB-14 <hr/>	Concurred in Sen- ate Amendment