

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

2
3
4
5
6
7
8 SYNOPSIS: This bill would relate to Class 2
9 municipalities and would allow any federal Program
10 for All Inclusive Care for the Elderly (PACE
11 program) in a Class 2 municipality to contribute to
12 the Alabama Health Care Trust Fund by providing for
13 assessments on the business activities of a PACE
14 provider.

15
16 A BILL
17 TO BE ENTITLED
18 AN ACT

19
20 Relating to Class 2 municipalities; to allow any
21 federal Program for All Inclusive Care for the Elderly (PACE
22 program) in a Class 2 municipality to contribute to the
23 Alabama Health Care Trust Fund by providing for assessments on
24 the business activities of a PACE provider.

25 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

26 Section 1. This act shall apply only in a Class 2
27 municipality and would provide for a federal Program for All

1 Inclusive Care for the Elderly (PACE program) with its
2 principal place of business in a Class 2 municipality to
3 contribute to the Alabama Health Care Trust Fund.

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

14 Section 3. For the purposes of this act, the
15 following words have the following meanings:

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

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

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

25 (4) PACE PROVIDER. PACE means a provider under the
26 federal Program for All Inclusive Care for the Elderly
27 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 of the organization.

18 Section 6. (a) The assessment imposed by this act
19 shall be due and payable to the department on or before the
20 twentieth day of the month next succeeding the month in which
21 the assessment accrues and, when collected, shall be paid by
22 the department into the State Treasury. Payment by United
23 States mail shall be timely if mailed in accordance with
24 Section 40-1-45, Code of Alabama 1975. When paid into the
25 State Treasury, all such taxes shall be deposited to the
26 credit of the Alabama Health Care Trust Fund or any successor
27 fund administered by or on behalf of the Medicaid Agency.

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

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

24 Section 8. (a) It shall be the duty of each PACE
25 provider subject to this act to keep and preserve suitable
26 books and records as may be necessary to determine the amount
27 of assessment for which it is liable under this act. The books

1 and records shall be kept and preserved for a period of not
2 less than three years, and all books and records shall be open
3 for examination during business hours by the department or its
4 duly authorized agents.

5 (b) All information secured pursuant to this act by
6 the department shall be confidential, except that the
7 department may provide such information to the Medicaid Agency
8 as necessary for the proper administration of the Medicaid
9 program, or for the department's proper administration of the
10 assessment levied by this act.

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

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

20 (b) Any reimbursement due a PACE provider under the
21 Medicaid program shall be paid in a timely fashion. If the
22 amount payable is not in dispute and is not paid by the
23 Medicaid Agency within 30 days of the due date, interest on
24 the amount due shall be charged. The interest shall be the
25 legal amount currently charged by the state.

26 Section 10. No revenues resulting from the
27 assessment established by this act and applied to increases in

1 covered services or reimbursement levels or other enhancements
2 of the Medicaid program adopted by the Medicaid Agency as a
3 result of revenues made available under the assessment levied
4 by this act shall be subject to reduction or elimination while
5 the assessment is in effect.

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

16 Section 12. This act shall become effective
17 immediately following its passage and approval by the
18 Governor, or its otherwise becoming law, except any assessment
19 pursuant to this act shall not become effective until October
20 1, 2014.