

SB 130-FN-A-LOCAL – AS INTRODUCED

2013 SESSION

13-0847

01/10

SENATE BILL        ***130-FN-A-LOCAL***

AN ACT            exempting special hospitals for rehabilitation from the Medicaid enhancement tax.

SPONSORS:        Sen. Morse, Dist 22; Sen. Odell, Dist 8; Sen. Larsen, Dist 15

COMMITTEE:      Ways and Means

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ANALYSIS

This bill exempts special hospitals for rehabilitation from the Medicaid enhancement tax.

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Explanation:      Matter added to current law appears in ***bold italics***.  
                         Matter removed from current law appears [~~in brackets and struck through~~].  
                         Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

*In the Year of Our Lord Two Thousand Thirteen*

AN ACT                    exempting special hospitals for rehabilitation from the Medicaid enhancement tax.

*Be it Enacted by the Senate and House of Representatives in General Court convened:*

1            1 Medicaid Enhancement Tax; Definitions. Amend RSA 84-A:1, III to read as follows:

2            III. "Hospital" means general hospitals [~~and special hospitals for rehabilitation~~] required to  
3 be licensed under RSA 151 that provide inpatient and outpatient hospital services, but not including  
4 government facilities.

5            2 Uncompensated Care Fund. Amend RSA 167:63, IV to read as follows:

6            III. "Hospital" means general hospitals [~~and special hospitals for rehabilitation~~] required to  
7 be licensed under RSA 151 that provide inpatient and outpatient hospital services, but not including  
8 government facilities.

9            3 Effective Date. This act shall take effect July 1, 2013.

**SB 130 FISCAL NOTE**

AN ACT                    exempting special hospitals for rehabilitation from the Medicaid enhancement tax.

**FISCAL IMPACT:**

The Department of Health and Human Services states this bill, **as introduced**, will reduce state unrestricted revenue by \$4,928,040 in FY 2014, \$5,322,283 in FY 2015, \$5,748,065 in FY 2016, and \$6,207,910 in FY 2017. There will be no fiscal impact on state, county, or local expenditures, or county and local revenues.

**METHODOLOGY:**

The Department of Health and Human Services states this bill would exempt the rehabilitation hospitals from the Medicaid Enhancement Tax (MET). The Department states there are three rehabilitation hospitals in New Hampshire: Hampstead Hospital, Northeast Rehabilitation Hospital and HealthSouth Rehabilitation Hospital. The Department indicates Hampstead Hospital previously received an exemption from the tax. The Department states the combined MET liability for Northeast and HealthSouth hospitals was \$4,225,000 in FY 2012. The Department assumes Net Patient Services Revenue and the MET liability will grow by 8% per year as follows:

<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>
\$4,563,000	\$4,928,040	\$5,322,283	\$5,748,065	\$6,207,910

The Department of Revenue Administration states this law removes specialty hospitals for rehabilitation from the definition of "Hospital" included in the Medicaid Enhancement Tax statute. The Department states these specialty hospitals currently pay the Medicaid Enhancement Tax and excluding them from the tax would reduce state tax revenue by millions of dollars. The Department is not able to disclose a more exact estimate as it appears less than 10 taxpayers would be impacted. The Department indicates this law could be administered without any additional cost to the Department.