
VIRGINIA STATE BUDGET

2018 Special Session I

Budget Bill - HB5002 (Introduced)

Bill Order » Part 3: Miscellaneous » Adjustments and Modifications to Tax Collections » Item 3-5.15

Provider Assessment

Item 3-5.15

§ 3-5.15 PROVIDER ASSESSMENT

A. Private acute care hospitals operating in Virginia shall pay an assessment beginning on October 1, 2018. The definition of private acute care hospitals shall exclude public hospitals, freestanding psychiatric and rehabilitation hospitals, children's hospitals, long stay hospitals, long-term acute care hospitals and critical access hospitals.

B.1. The Department of Medical Assistance Services (DMAS) shall calculate each hospital's "assessment" annually by multiplying the "assessment percentage" times "net patient service revenue" as defined below.

2. The "assessment percentage" shall be calculated as (i) 1.08 times the non-federal share of the "full cost of expanded Medicaid coverage" for newly eligible individuals under the Patient Protection and Affordable Care Act (42 U.S.C. § 1396d(y)(1)[2010]) divided by (ii) the total "net patient service revenue" for hospitals subject to the assessment. By May 1 of each year, DMAS shall report the estimated assessment payments by hospital and all assessment percentage calculations for the upcoming fiscal year to the Director, Department of Planning and Budget and Chairmen of the House Appropriations and Senate Finance Committees.

3. The "full cost of expanded Medicaid coverage" shall equal the amount estimated in the official Medicaid forecast due by November 1 of each year as required by paragraph A.1. of Item 307 of this Act. This Act estimates the cost of coverage for FY 2019 as \$80,823,953 and FY 2020 as \$226,123,826.

4. Each hospital's "net patient service revenue" equals the amount reported in the most recent Virginia Health Information (VHI) "Hospital Detail Report" as of December 15 of each year. In the first year, net patient service revenue shall be prorated by the portion of the year subject to the tax.

5. Any estimated excess or shortfall of revenue from the previous year shall be deducted from or added to the "full cost of expanded Medicaid coverage" for the next year prior to the calculation of the "assessment percentage."

C. DMAS shall be responsible for collecting the assessment. Hospitals subject to the assessment shall make quarterly payments to the department equal to 25 percent of the annual "assessment" amount. In the first year, quarterly amounts for the remainder of the state fiscal year shall equal one-third of the assessment. The payments are due not later than the first day of each quarter. In the first year, the first assessment payment shall be due by October 1, 2018. Hospitals that fail to make the assessment payments within 30 days of the due date shall incur a five percent penalty. Any unpaid assessment or penalty will be considered a debt to the Commonwealth and DMAS is authorized to recover it as such.

D. DMAS shall submit a report due September 1 of each year to the Director, Department of Planning and Budget and Chairmen of the House Appropriations and Senate Finance Committees. The report shall include, for the most recently completed fiscal year, the revenue collected from the assessment, expenditures for purposes authorized by

this Item, and the year-end assessment balance in the Virginia Health Care Fund.

E. All revenue from the assessment including penalties shall be deposited into the Virginia Health Care Fund. DMAS shall account for any revenue associated with the provider assessment separately within the Fund.

F. Any provision of this Item is contingent upon approval by the Centers for Medicare and Medicaid Services if necessary.