

STATE OF MAINE

IN THE YEAR OF OUR LORD  
TWO THOUSAND AND ELEVEN

H.P. 752 - L.D. 1016

An Act To Restore the Health Care Provider Tax to 6 Percent

Be it enacted by the People of the State of Maine as follows:

**Sec. 1. 36 MRSA §2872, sub-§1, ¶C**, as amended by PL 2007, c. 539, Pt. X, §1, is further amended to read:

C. For whole or partial facility fiscal years beginning on or after July 1, 2003 and before January 1, 2008, the tax imposed against each residential treatment facility is equal to 6% of its annual gross patient services revenue for the corresponding whole or partial facility fiscal year; ~~and~~

**Sec. 2. 36 MRSA §2872, sub-§1, ¶D**, as enacted by PL 2007, c. 539, Pt. X, §1, is amended to read:

D. ~~Beginning~~ For whole or partial facility fiscal years beginning on or after January 1, 2008 for any partial facility fiscal year and for whole facility fiscal years beginning on or after January 1, 2008 and before October 1, 2011, the tax imposed against each residential treatment facility is equal to 5.5% of its annual gross patient services revenue for the corresponding whole or partial facility fiscal year; ~~and~~

**Sec. 3. 36 MRSA §2872, sub-§1, ¶E** is enacted to read:

E. Beginning October 1, 2011 for any partial facility fiscal year and for whole facility fiscal years beginning on or after October 1, 2011, the tax imposed against each residential treatment facility is equal to 6% of its annual gross patient services revenue for the corresponding whole or partial facility fiscal year.

**Sec. 4. 36 MRSA §2872, sub-§2, ¶C**, as amended by PL 2007, c. 539, Pt. X, §2, is further amended to read:

C. For whole or partial facility fiscal years beginning on or after July 1, 2003 and before January 1, 2008, the tax imposed against each nursing home is equal to 6% of its annual net operating revenue for the corresponding whole or partial facility fiscal year; ~~and~~

**Sec. 5. 36 MRSA §2872, sub-§2, ¶D**, as enacted by PL 2007, c. 539, Pt. X, §2, is amended to read:

~~D. Beginning For whole or partial facility fiscal years beginning on or after January 1, 2008 for any partial facility fiscal year and for whole facility fiscal years beginning on or after January 1, 2008 and before October 1, 2011, the tax imposed against each nursing home is equal to 5.5% of its annual net operating revenue for the corresponding whole or partial facility fiscal year; and~~

**Sec. 6. 36 MRSA §2872, sub-§2, ¶E** is enacted to read:

E. Beginning October 1, 2011 for any partial facility fiscal year and for whole facility fiscal years beginning on or after October 1, 2011, the tax imposed against each nursing home is equal to 6% of its annual net operating revenue for the corresponding whole or partial facility fiscal year.

**Sec. 7. 36 MRSA §2873, sub-§4**, as enacted by PL 2001, c. 714, Pt. CC, §3 and affected by §8 and amended by PL 2003, c. 689, Pt. B, §§6 and 7, is further amended to read:

**4. Application of revenues.** Revenues derived by the tax imposed by this chapter must be credited to a General Fund suspense account. On the last day of each month, the State Controller shall make the following transfers:

A. All revenues received by the assessor during the month pursuant to this chapter from nursing homes net of refunds must be credited to the Nursing Facilities Other Special Revenue funds account in the Department of Health and Human Services. ~~The Commissioner of Health and Human Services is authorized to make revenue transfers from the Nursing Facilities Other Special Revenue funds account to the Medical Care Payments to Providers Other Special Revenue funds account and the Long Term Care Human Services Other Special Revenue funds account in amounts not to exceed legislative allocations in any fiscal year~~ Beginning October 1, 2011, the revenues received in each fiscal year that result from the increase in the tax rate from 5.5% to 6% pursuant to section 2872, subsection 1, paragraph E must be applied first to reimburse nursing homes for the MaineCare portion of the increased tax expense, and all remaining revenue resulting from the increase must be applied to provide cost-of-living increases to MaineCare reimbursement to nursing homes and to medical and remedial private nonmedical institutions that are reimbursed room and board costs and certain other allowable costs under rules adopted by the Department of Health and Human Services. These rules must use a methodology that provides a cost-of-living increase that ensures that such nursing facilities and medical and remedial private nonmedical institutions receive a share of the revenues through MaineCare reimbursement of allowable costs; and

B. All revenues received by the assessor during the month pursuant to this chapter from residential treatment facilities net of refunds must be credited to the Residential Treatment Facilities Assessment Other Special Revenue funds account in the Department of Health and Human Services. Beginning October 1, 2011, a percentage equal to the State's annual Federal Medical Assistance percentage of the revenues generated by the increase in the tax rate from 5.5% to 6% received by the assessor during the month must be credited to an Other Special Revenue Funds account in the Department of Health and Human Services, Developmental Services Waiver - Supports program and all revenues credited to that account must be applied to

providing services to individuals on the waiting list for the community support benefit provided under a federal 1915(c) waiver under the MaineCare Benefits Manual, Chapter II, Section 29. The balance must be credited to an Other Special Revenue Funds account in the Department of Health and Human Services, Medicaid Services - Developmental Services program.

Notwithstanding the provisions of Public Law 2007, chapter 240, Part X, section 2, Public Law 2009, chapter 213, Part SSSS, section 1 or any other provision of law, any available balances in the accounts under this subsection may not be transferred between accounts by financial order or otherwise.

**Sec. 8. Appropriations and allocations.** The following appropriations and allocations are made.

**HEALTH AND HUMAN SERVICES, DEPARTMENT OF (FORMERLY DHS)**

**Developmental Services Waiver - Supports Z006**

Initiative: Allocates funds from the increase in the residential treatment facilities assessment to be used for services to individuals on the waiting list for the waiver.

<b>FEDERAL EXPENDITURES FUND</b>	<b>2011-12</b>	<b>2012-13</b>
All Other	\$139,230	\$184,225
<b>FEDERAL EXPENDITURES FUND TOTAL</b>	<u>\$139,230</u>	<u>\$184,225</u>

<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>2011-12</b>	<b>2012-13</b>
All Other	\$80,376	\$106,948
<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	<u>\$80,376</u>	<u>\$106,948</u>

**Medicaid Services - Developmental Services 0705**

Initiative: Allocates funds for increased costs resulting from the increase in the residential treatment facilities assessment.

<b>FEDERAL EXPENDITURES FUND</b>	<b>2011-12</b>	<b>2012-13</b>
All Other	\$80,376	\$106,948
<b>FEDERAL EXPENDITURES FUND TOTAL</b>	<u>\$80,376</u>	<u>\$106,948</u>

<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>2011-12</b>	<b>2012-13</b>
All Other	\$46,400	\$62,086
<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	<u>\$46,400</u>	<u>\$62,086</u>

**Nursing Facilities 0148**

Initiative: Allocates funds for increased nursing facility costs resulting from the increase in the nursing facility tax.

<b>FEDERAL EXPENDITURES FUND</b>	<b>2011-12</b>	<b>2012-13</b>
All Other	\$1,400,717	\$1,863,793
<b>FEDERAL EXPENDITURES FUND TOTAL</b>	<u>\$1,400,717</u>	<u>\$1,863,793</u>
<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>2011-12</b>	<b>2012-13</b>
All Other	\$517,514	\$692,470
<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	<u>\$517,514</u>	<u>\$692,470</u>

**Nursing Facilities 0148**

Initiative: Allocates funds for cost-of-living increases to MaineCare reimbursement to nursing facilities and to medical and remedial private nonmedical institutions that are reimbursed room and board costs.

<b>FEDERAL EXPENDITURES FUND</b>	<b>2011-12</b>	<b>2012-13</b>
All Other	\$2,930,636	\$3,881,479
<b>FEDERAL EXPENDITURES FUND TOTAL</b>	<u>\$2,930,636</u>	<u>\$3,881,479</u>
<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>2011-12</b>	<b>2012-13</b>
All Other	\$1,691,818	\$2,253,307
<b>OTHER SPECIAL REVENUE FUNDS TOTAL</b>	<u>\$1,691,818</u>	<u>\$2,253,307</u>

<b>HEALTH AND HUMAN SERVICES, DEPARTMENT OF (FORMERLY DHS) DEPARTMENT TOTALS</b>	<b>2011-12</b>	<b>2012-13</b>
<b>FEDERAL EXPENDITURES FUND</b>	<b>\$4,550,959</b>	<b>\$6,036,445</b>
<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>\$2,336,108</b>	<b>\$3,114,811</b>
<b>DEPARTMENT TOTAL - ALL FUNDS</b>	<u><b>\$6,887,067</b></u>	<u><b>\$9,151,256</b></u>

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In House of Representatives, ..... 2011

Read twice and passed to be enacted.

..... Speaker

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In Senate, ..... 2011

Read twice and passed to be enacted.

..... President

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Approved ..... 2011

..... Governor