

HOUSE RESEARCH

Bill Summary

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Overview

This bill allows a credit against the MinnesotaCare provider tax for providers who provide services under the GAMC, Medical Assistance, and the MinnesotaCare programs. The credit is the lesser of 80 percent of the provider's reimbursements under the state programs or \$25,000. The bill also modifies the pass-through language that allows providers to transfer the tax to third party payers, such as health plan companies. The changes generally are intended to make sure that the tax can be fully transferred and that the statutory obligation can be enforced through court actions for damages.

Section

- 1 Credit for services provided under state health programs.** Allows health care providers (this does not include hospitals or pharmacies) to claim a credit against the MinnesotaCare health care provider taxes, if they provide services under Medical Assistance, General Assistance Medical Care, or MinnesotaCare. The credit equals the lesser of:
 - 80% of the reimbursement the provider receives under the program or
 - \$25,000 for the calendar year.
- 2 Transfer or pass-through authority.** Clarifies that if a provider chooses to use the statutory transfer authority (i.e., to bill the health plan company for the MinnesotaCare tax), it may still itemize the tax on patient bills. It provides that itemizing the tax on patient bills

Section

does not affect the ability to use to the statutory transfer authority. It also provides that the tax is in addition to the "usual and customary fee schedule" often provided in these health plan contracts and extends to tax attributable to patient copayments and deductibles. A requirement is added, requiring the third party purchasers (typically insurers or health plan companies) to document how they are complying with these new requirements. Finally, it authorizes health care providers to bring civil actions for damages resulting from violations.