Overview

In 1999 the legislature enacted a one-year program called charity care aid which provided $10 million in calendar year 2000 to certain hospitals that had unusually high levels of indigent patients. The money was paid by the state to the counties in which the hospitals are located and the counties then used that money to reimburse the hospitals for their indigent care costs. This bill, as introduced, made this a permanent aid program with an annual appropriation of $10 million per year. The amendment expands the program to include reimbursement to community clinics for indigent care and replaces the $10 million cap on the appropriation to a blank dollar amount.

1 **Charity care aid.** Provides annual payments to hospitals and community clinics to reimburse them for the costs of indigent care.

**Subd. 1. Purpose.** States that the purpose of this aid program is to prevent or reduce the reliance on property taxes to pay for hospital care of indigents from outside the county and uncompensated medical care at community clinics.

**Subd. 2. Qualification.** States that for a hospital to qualify for this aid it must have a medical assistance disproportionate population adjustment for medical assistance reimbursement that is greater than 16%. A community clinic qualifies if it meets the definition of a community health clinic and it utilizes a sliding fee scale for charity care.

**Subd. 3. Reports by hospitals and counties.** Requires hospitals to report to the county how much was spent in the previous year for nonresident indigent care. Requires community clinics to report to the county how much was spent on care of indigents that were uninsured and not eligible for any public health care program. The county must report these amounts to the commissioner of revenue.

**Subd. 4. Amount of aid.** Requires that aid be paid to each county based on the amount of costs reported in subdivision 3. The total aid paid to all counties is limited to a blank amount and payments to each county will be prorated as necessary so that total payments do not exceed the
Subd. 5. Payment dates. Provides for the payment to be made in two installments, in July and December along with the other general aid payments.

Subd. 6. Use of funds. Requires the counties to use this aid to reimburse hospitals and community clinics within its jurisdiction for indigent care costs. The payments will be based on the relative share of total costs reported under subdivision 3 in that county that are attributable to each facility.

Subd. 7. Report to commissioner. Requires the counties to annually report to the commissioner of revenue describing how the money was spent.

Subd. 8. Notice to counties. Requires the commissioner of revenue to annually notify the counties of the charity care aids paid.

Subd. 9. Appropriates money for this aid program.