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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2017

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A N A C T

RELATING TO TAXATION -- NURSING FACILITY PROVIDER ASSESSMENT ACT

Introduced By: Representatives Winfield, Fogarty, Ucci, Corvese, and Costantino

Date Introduced: February 08, 2017

Referred To: House Finance

It is enacted by the General Assembly as follows:

1           SECTION 1. Section 44-51-3 of the General Laws in Chapter 44-51 entitled "Nursing  
2 Facility Provider Assessment Act" is hereby amended to read as follows:

3           **44-51-3. Imposition of assessment -- Nursing facilities.**

4           (a) For purposes of this section, a "nursing facility" means a person or governmental unit  
5 licensed in accordance with chapter 17 of title 23 to establish, maintain, and operate a nursing  
6 facility.

7           (b) An assessment is imposed upon the gross patient revenue received by every nursing  
8 facility in each month beginning January 1, 2008, at a rate of five and one-half percent (5.5%) for  
9 services provided on or after January 1, 2008. Every provider shall pay the monthly assessment  
10 no later than the twenty-fifth (25th) day of each month following the month of receipt of gross  
11 patient revenue.

12           (c) The assessment imposed by this section shall be repealed on the effective date of the  
13 repeal or a restricted amendment of those provisions of the Medicaid Voluntary Contribution and  
14 Provider-Specific Tax Amendments of 1991 (P.L. 102-234) that permit federal financial  
15 participation to match state funds generated by taxes.

16           (d) If, after applying the applicable federal law and/or rules, regulations, or standards  
17 relating to health care providers, the tax administrator determines that the assessment rate  
18 established in subsection (b) of this section exceeds the maximum rate of assessment that federal  
19 law will allow without reduction in federal financial participation, then the tax administrator is

1 directed to reduce the assessment to a rate equal to the maximum rate which the federal law will  
2 allow without reduction in federal participation. Provided, however, that the authority of the tax  
3 administrator to lower the assessment rate established in subsection (b) of this section shall be  
4 limited solely to such determination.

5 (e) In order that the tax administrator may properly carry out his/her responsibilities  
6 under this section, the director of the department of human services shall notify the tax  
7 administrator of any damages in federal law and/or any rules, regulations, or standards which  
8 affect any rates for health care provider assessments.

9 (f) Notwithstanding the provisions of this section, any assessment imposed and payment  
10 required pursuant to subsection (b) of this section shall be suspended during any period of time  
11 that the department of human services is unable to distribute federal or state funds due and owing  
12 to the nursing facility provider due to any inability to make distribution as a result of a  
13 malfunction of the computer system or computer network of the department of human services  
14 for a period in excess of thirty (30) days.

15 SECTION 2. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

A N A C T

RELATING TO TAXATION -- NURSING FACILITY PROVIDER ASSESSMENT ACT

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1           This act would suspend any assessment imposed and tax payment required by a nursing  
2 facility provider during any failure of the department of human services to distribute federal or  
3 state funds to the facility resulting from a malfunction of its computer system or computer  
4 network for a period in excess of thirty (30) days.

5           This act would take effect upon passage.

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