

Provider Taxes: Brief Overview

House Ways & Means

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Background

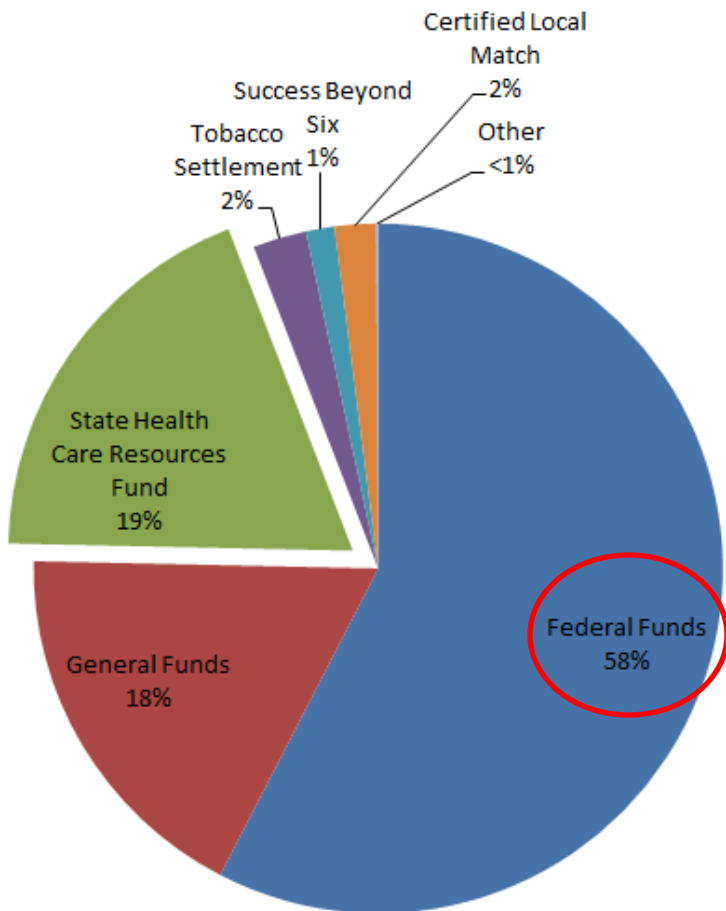
- Provider taxes must follow federal law including:
 - Must be broad based
 - Must be uniformly imposed
 - Cannot violate hold harmless provisions
- Monies from provider taxes are deposited into the State Health Care Resources Fund

Medicaid Financing Overview

State Fiscal Year 2014

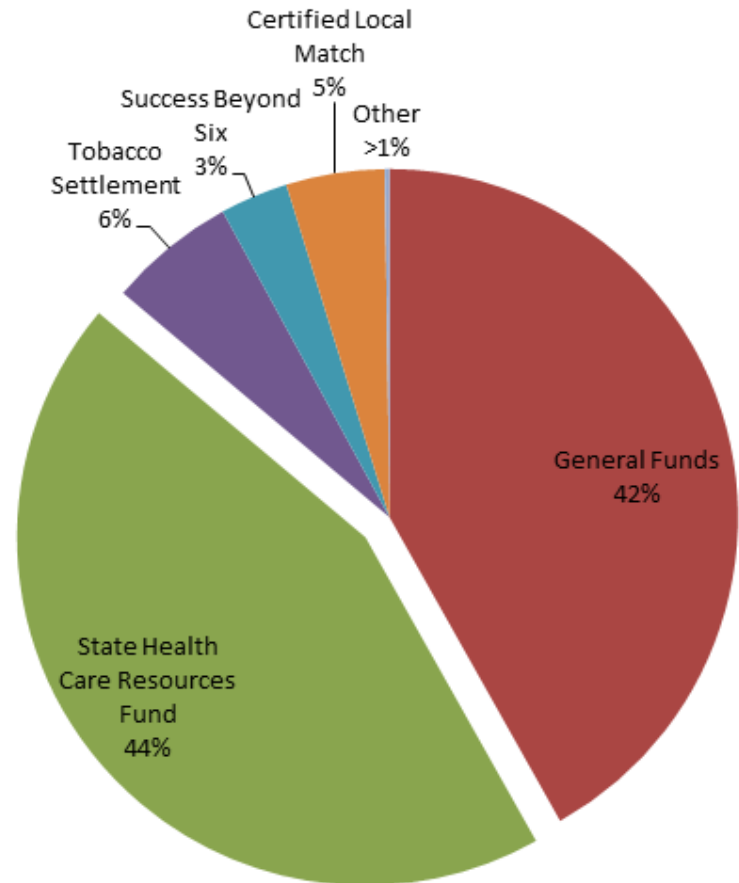
TOTAL Medicaid Funding Sources

All funds – including Federal



Medicaid Funding Sources

State funding sources only



Medicaid Financing Overview

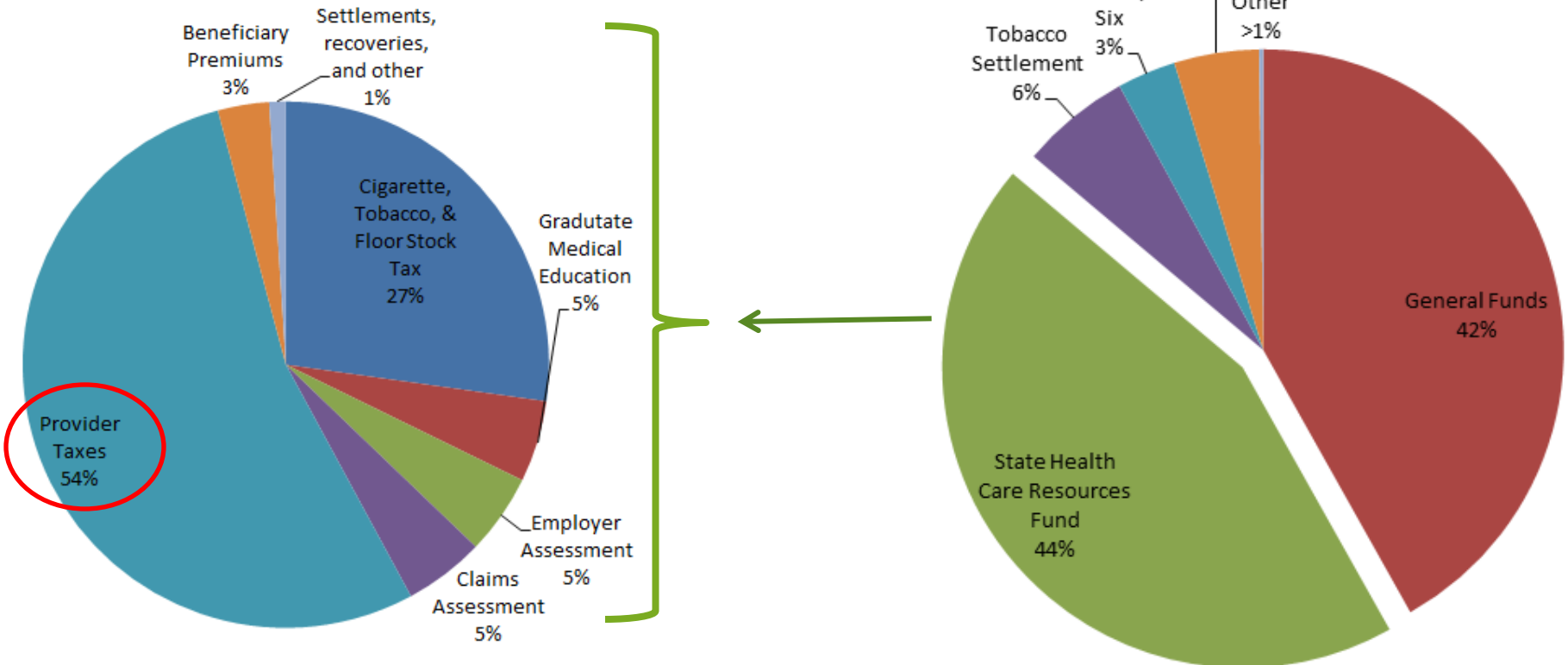
State funds only

State Fiscal Year 2014

Medicaid Funding Sources

State funding sources only

State Health Care Resources Fund



Provider Tax Revenues

Provider Taxes	FY12 Actuals	FY13 Actuals	FY14 Actuals	January 2015 - Emergency Board	
				FY15 BAA	FY16
Hospitals	110,642,636	115,505,466	120,087,900	123,132,709	128,166,206
Nursing Homes	15,749,272	16,268,103	15,998,993	15,700,680	15,599,829
Home Health	4,548,206	4,529,917	4,097,040	4,547,271	4,327,271
ICF-DD	82,098	69,695	71,629	73,759	73,759
Pharmacy \$0.10/script	789,877	795,192	780,174	780,000	780,000
	131,812,089	137,168,373	141,035,735	144,234,419	148,947,065

Provider Taxes

Notes:

- All provider taxes must be broad based (imposed equally throughout each individual class), uniformly imposed (each provider taxed the same), and comply with the "hold harmless" provision (tax paid is not returned to provider ensuring they are made whole for amounts paid).
- Vermont imposes provider taxes on 6 of the 19 specified classes of health care providers or services allowed by federal regulations.

Hospital Provider Tax	33 V.S.A. §1953. <i>Hospital Assessment</i>	<ul style="list-style-type: none"> • Current tax rate is 6%, up from 5.9% in 2012. • Tax rates have ranged between 3.6% and 6% over the last 10 years, holding at 5.5% from 2007 to 2011. • Psychiatric Hospitals such as the Brattleboro Retreat are assessed at a rate of 4.21%, representing approx. \$900K (2014 estimate). 	2015 Est: \$123,132,709 2014: \$120,087,900 2013: \$115,505,466 2012: \$110,642,636	
Nursing Home Provider Tax	33 V.S.A. §1954. <i>Nursing Home Assessment</i>	<ul style="list-style-type: none"> • Tax assessed on a per bed basis, which cannot exceed the corresponding rate. • Current tax rate is 6% of net patient revenues, or \$4,919.53 per bed, which has not changed since 2012. • From 2009 – 2011, per bed rate was \$4,509.57, or 5.5% of net patient revenues. 	2015 Est: \$15,599,829 2014: \$15,998,993 2013: \$16,268,103 2012: \$15,749,272	Annual assessment on licensed beds is prorated for the number of days the bed was actually licensed with overpayments being refunded to the facility.
ICF/DD (Intermediate Care Facilities for individuals with Developmental Disabilities) Provider Tax (formerly ICF/MR)	33 V.S.A §1955. <i>ICF/MR assessment</i>	<ul style="list-style-type: none"> • Tax assessed as a percentage of total direct and indirect expenses based on most recent audit of facility. • Current tax rate is 5.9% (since 2012). • From 2009 – 2011, tax rate was 5.5% of total direct and indirect expenses. 	2015 Est: \$73,759 2014: \$71,629 2013: \$69,695 2012: \$82,098	
Home Health Agency Provider Tax	33 V.S.A. §1955a. <i>Home health agency assessment</i>	<ul style="list-style-type: none"> • Tax assessed as a percentage of net operating revenue from core services (rather than net patient revenues). • Current tax rate is 19.3% of net operating revenues which equals 3.9% of net patient revenues. • From 2009-2011, assessment was 17.69% of net operating revenue from core services or 3.8% of net patient revenues. 	2015 Est: \$4,327,271 2014: \$4,097,040 2013: \$4,529,917 2012: \$4,548,206	
Pharmacy Prescription Tax	33 V.S.A § 1955b. <i>Pharmacy Assessment</i>	<ul style="list-style-type: none"> • \$0.10 monthly assessment on pharmacies for every prescription filled and refilled. • Added in 2005 with no increase in rate since that time. 	2015 Est: \$780,000 2014: \$780,174 2013: \$795,192 2012: \$789,877	

Other Classes not currently levied

- Physicians
- Dentists
- Specialty Therapists
- Psychologists
- Chiropractors
- Nurses
- Optometrists
- Podiatrists
- Independent Lab/X-ray
- Emergency Ambulance Services
- Ambulatory Surgical Centers