

1 HB484  
2 150819-2  
3 By Representatives Barton and Fincher  
4 RFD: Children and Senior Advocacy  
5 First Read: 20-MAR-13

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8 SYNOPSIS: Under existing law, there is no privilege  
9 assessment on the business activities of providers  
10 of programs for all inclusive care for the elderly  
11 (PACE program).

12 This bill would levy a privilege assessment  
13 on business activities of each PACE program in the  
14 State of Alabama.

15  
16 A BILL  
17 TO BE ENTITLED  
18 AN ACT

19  
20 To levy a privilege assessment on the business  
21 activities of each PACE program in the State of Alabama.

22 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

23 Section 1. For the purposes of this act, the  
24 following words shall have the following meanings except where  
25 the context clearly indicates a different meaning:

26 (1) DEPARTMENT. The Department of Revenue of the  
27 State of Alabama.

1           (2) FISCAL YEAR. An accounting period of 12 months  
2 beginning on the first day of the first month of the state  
3 fiscal year.

4           (3) MEDICAID PROGRAM. The medical assistance program  
5 as established in Title XIX of the Social Security Act and as  
6 administered in the State of Alabama by the Medicaid Agency  
7 pursuant to executive order and Title 560 of the Alabama  
8 Administrative Code.

9           (4) PACE PROVIDER. PACE means the program for all  
10 inclusive care for the elderly operated by a public, private,  
11 nonprofit or proprietary entity, as permitted by federal law  
12 as defined at 42 C.F.R. §460.6, as amended and supplemented.

13           Section 2. To provide further for the availability  
14 of indigent health care, there is levied and shall be  
15 collected as provided in this act a privilege assessment on  
16 the business activities of each provider of PACE programs to  
17 the citizens of Alabama. The privilege assessment imposed by  
18 this act shall be in addition to all other taxes of any kind  
19 and imposed by law and shall be at a rate of five percent of  
20 the gross annual receipts of the organization.

21           Section 3. (a) The assessment imposed by this act  
22 shall be due and payable to the department on or before the  
23 twentieth day of the month next succeeding the month in which  
24 the assessment accrues, and, when collected, shall be paid by  
25 the department into the State Treasury. Payment by United  
26 States mail will be timely if mailed in accordance with  
27 Section 40-1-45, Code of Alabama 1975. When paid into the

1 State Treasury, all such taxes shall be deposited to the  
2 credit of the Alabama Health Care Trust Fund or any successor  
3 fund administered by or on behalf of the Medicaid Agency.

4 (b) The receipts from the assessment levied in this  
5 act shall be solely available for appropriation by the  
6 Legislature to the Medicaid Agency for use by the agency in  
7 accomplishing the purposes of this act.

8 Section 4. Any PACE provider that fails to pay the  
9 assessment levied by this act within the time required by this  
10 act shall pay, in addition to the assessment, a penalty of 10  
11 percent of the amount of assessment due, together with  
12 interest thereon at the rate prescribed by Section 40-1-44,  
13 Code of Alabama 1975, such penalty and interest to be assessed  
14 and collected as part of the taxes. Provided, however, the  
15 department, if a good and sufficient reason is shown, may  
16 waive or remit the penalty of 10 percent or a portion thereof.  
17 If payment is not received by the last day of the month, the  
18 department shall notify the Medicaid Agency which shall  
19 determine whether the PACE provider is a Medicaid provider,  
20 and if so, shall withhold the payment, interest, and penalty  
21 due from any reimbursement due the provider under the Medicaid  
22 program. The assessment levied by this act shall constitute a  
23 debt due the State of Alabama and may be collected by civil  
24 action in addition to the methods provided in this act. The  
25 department is empowered to assess, file liens, and collect the  
26 assessments levied by this act as prescribed in this title.

1           Section 5. (a) It shall be the duty of each PACE  
2 provider subject to this act to keep and preserve such  
3 suitable books and records as may be necessary to determine  
4 the amount of assessment for which it is liable under this  
5 act. The books and records shall be kept and preserved for a  
6 period of not less than three years, and all such books and  
7 records shall be open for examination during business hours by  
8 the department or its duly authorized agents.

9           (b) All information secured pursuant to this act by  
10 the department shall be confidential, except that the  
11 department may provide such information to the Medicaid Agency  
12 as necessary for the proper administration of the Medicaid  
13 program, or for the department's proper administration of the  
14 assessment levied by this act.

15           (c) The department, from time to time, as it deems  
16 desirable, shall promulgate such reasonable rules and  
17 regulations as necessary to provide for the orderly and  
18 efficient administration of the assessment levied by this act.

19           Section 6. (a) The Medicaid Agency shall use the  
20 revenues from the assessment levied by this act in furtherance  
21 of the purposes of this act, provided that any such uses shall  
22 be limited to those for which federal financial participation  
23 under Title XIX of the Social Security Act is available.

24           (b) Any reimbursement due a PACE provider under the  
25 Medicaid Program shall be paid in a timely fashion. If the  
26 amount payable is not in dispute and is not paid by the  
27 Medicaid Agency within 30 days of the due date, interest on

1 the amount due shall be charged. The interest shall be the  
2 legal amount currently charged by the state.

3 Section 7. No revenues resulting from the assessment  
4 established by this act and applied to increases in covered  
5 services or reimbursement levels or other enhancements of the  
6 Medicaid program adopted by the Medicaid Agency as a result of  
7 revenues made available under the assessment levied by this  
8 act shall be subject to reduction or elimination while the  
9 assessment is in effect.

10 Section 8. This act shall be of no effect if federal  
11 financial participation under Title XIX of the Social Security  
12 Act is not available to the Medicaid program for the purposes  
13 of this act at the approved federal medical assistance  
14 percentage, established under Section 1905 of the Social  
15 Security Act, for the applicable fiscal year.

16 Section 9. This act shall become effective October  
17 1, 2013, following its passage and approval by the Governor,  
18 or its otherwise becoming law.