

Legislative Update, April 25, 2011

Senate Amendment to HHS Approps would raise provider tax rate to 5%

The scheduled April 29th end of the session now seems unlikely due to the lack of agreement on budget issues. The House and Senate have not resolved their differences on most of the budgets, have no agreement on an Allowable Growth rate, and Democrats and Republicans have not agreed on a compromise on biennial budgeting.

The Governor has said that he is committed to a two-year budget in order to bring predictability and stability to the budgeting process. Senate

Democrats say that revenue forecasts are too uncertain 18 or 30 months out and that the Governor's proposal will lead to less predictability. Using data compiled by the LSA, Senator Quirnbach said that the 18-month revenue projection has only been within one percent of revenues once in the last 12 years.

HHS Appropriations bill (HF 649)

The long-awaited Senate amendment to the House Human Services Appropriations bill, (HF 649) was released Friday. The amendment would raise the provider tax to 5%, expands the taxable revenue pool to include all patient service revenue (Medicaid, Medicare and private pay). The current state plan only allows taxing of non-Medicare revenue. Finally, the amendment proposes raising the add-on payment from \$10 to \$15 per patient-day.



IAHSA met with the Iowa Department on Aging April 20th to discuss organizing a Senior Services Summit. From left: IAHSA President/CEO Dana Petrowsky, IDA Director Donna Harvey, Ombudsman Jeannie Yordi, IAHSA Board Chair Betsy Warburton (Bethany Life) and IDA Legislative Liaison Joel Wulf

The Senate Democrats want to use revenue to fund mental health services, diverting the \$11 million proposed from the general fund for nursing facility rebasing, and replacing that with provider tax funds, plus another \$2 million for mental health.

The net effect would be an increase in the disparity between “winners” and “losers” under the provider tax. For this reason, IAHSA opposes the amendment, and supports the House-passed version of HF 649 that retains the provider tax at 3% and funds rebasing from the general fund.

The Senate amendment also includes a number of other initiatives, including \$1 million to help increase HCBS reimbursement.

The amended Senate version will likely be passed out of committee today (April 25th). House Republicans have told IAHSA they will stand by their promises not to raise taxes, including the provider tax. If the House doesn't agree with the Senate amendment, the bill will go to conference committee, where the two chambers will attempt to work out their differences.

Upcoming dates

April 29th—Iowa General Assembly per diem expires.

May 4th & 5th—IAHSA's Spring Conference with Legislative Update. Be sure to register by April 29th at www.ageiowa.org.