

Legislative Fiscal Division

Revenue Estimate Profile

Nursing Facilities Fee

Revenue Description: This source consists of two similar utilization fees on nursing homes: a nursing facility utilization fee and an intermediate care facility utilization fee.

With the enactment of House Bill 749 by the 2005 Legislature, qualified nursing facilities are required to pay a nursing facility utilization fee of \$8.30 for each bed day in the facility. Nursing facilities are health care facilities licensed by the Department of Public Health and Human Services and include those operated for profit or non-profit, freestanding or part of another health facility, and publicly or privately owned. Specifically included by statute is the Montana Mental Health Nursing Care Center. According to federal definitions, nursing facilities do not include adult foster homes, retirement homes, and other alternative living arrangements. Bed days are defined as a 24-hour period in which a resident of a nursing facility is present in the facility or in which a bed is held for a resident while on temporary leave.

An intermediate care facility utilization fee is imposed on resident bed days of intermediate care facilities for the mentally disabled. The only qualifying facility is the Montana Developmental Center. With the enactment of Senate Bill 82 by the 2005 Legislature, the fee is 6% of a facility's quarterly revenue divided by the quarterly bed days.

Statutory Reference:

Tax Rate (MCA) – Nursing facility utilization fee (15-60-102), intermediate care facility utilization fee (15-67-102(2))

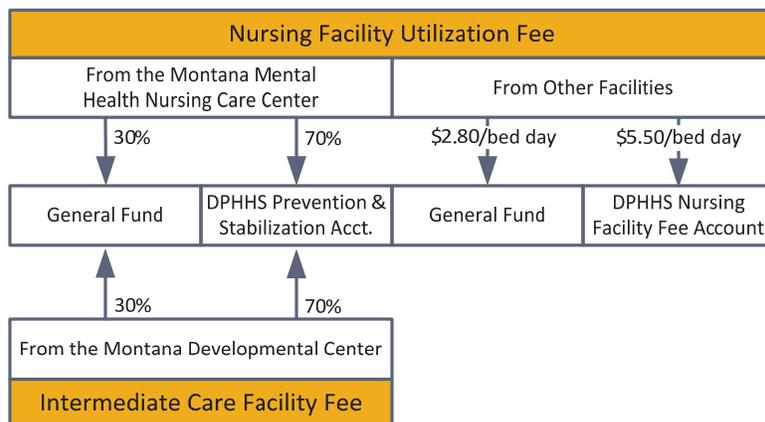
Tax Distribution (MCA) – Nursing facility utilization fee (15-60-102 & 15-60-210), intermediate care facility utilization fee (15-67-102(3))

Date Due – Nursing facility utilization fee due the last day of the month following the close of the calendar quarter (15-60-201), intermediate care facility utilization fee due the month following the close of the calendar quarter (15-67-201(1))

Applicable Tax Rate(s): Nursing facility utilization fee of \$8.30 per bed day, and Intermediate care facility utilization fee of 6% of a facility's quarterly revenue divided by the quarterly bed days

Distribution: Nursing facility utilization fee: for fees paid by the Montana Mental Health Nursing Care Center, 30% to the general fund and 70% to the prevention and stabilization account; for all other facilities, \$2.80/bed day to the general fund and \$5.50/bed day to the nursing facility fee account. Intermediate care facility utilization fee: for fees paid by the Montana Developmental Center, 30% to the general fund and 70% to the prevention and stabilization account.

Distribution Chart:



Summary of Legislative Action: The 63rd Legislature did not enact legislation that impacted this source.

Collection Frequency: Quarterly

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% of Total General Fund Revenue:

FY 2004 – 0.43%	FY 2007 – 0.31%	FY 2010 – 0.33%
FY 2005 – 0.39%	FY 2008 – 0.29%	FY 2011 – 0.29%
FY 2006 – 0.33%	FY 2009 – 0.30%	FY 2012 – 0.27%

Revenue Estimate Methodology:

Data

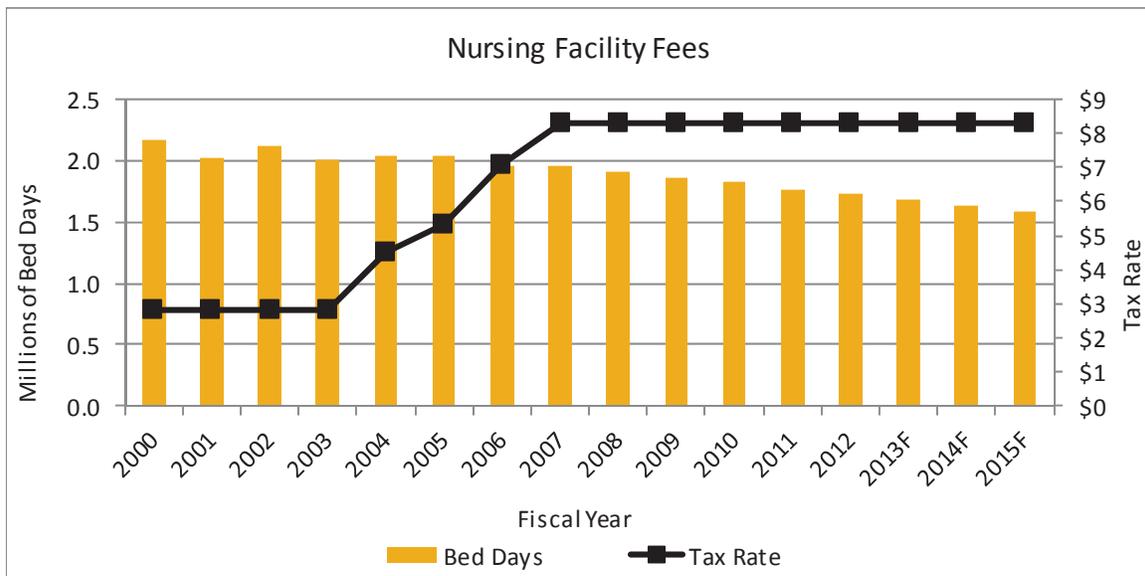
Data for this source are obtained from the Department of Revenue (DOR), the Department of Public Health and Human Services (DPHHS), and the state accounting system (SABHRS). DOR provides the number of taxable bed days occupied by clientele of private and state run nursing homes. DPHHS provides counts on the bed days at the Montana Developmental Center (MDC) and total revenues collected, which are used in the calculation of the intermediate care facility fee. SABHRS data provides aggregate historic collections of the nursing facility fees.

Analysis

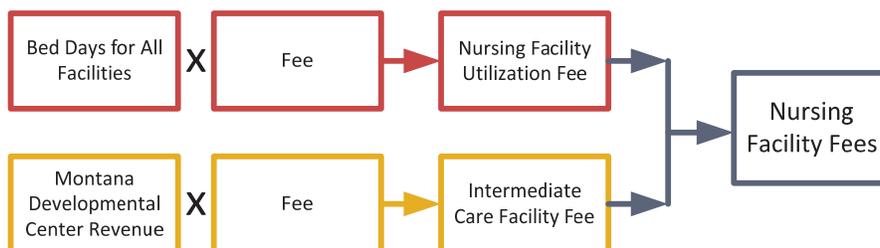
The nursing facility fees are estimated using a negative time trend to project future bed days at nursing care facilities. In addition to private nursing homes, the Montana Mental Health Nursing Care Center (MMHNCC) is required to pay the nursing facility fee. The MMHNCC component of the tax is calculated separately, making use of the bed days that are calculated in the estimate for “Institutional Reimbursements.” The bed days are multiplied by the fee of \$8.30 to obtain the estimate for the MMHNCC nursing fee.

MDC is the only intermediate care facility in Montana. The intermediate facility fee is projected by applying the average growth rate of the past fiscal years to the last year of actual revenue collections at MDC, FY 2012.

The fiscal year estimates for these two sources are summed to provide the total nursing facility fees estimates.



Forecast Methodology:



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Revenue Estimate Assumptions:

This section contains the assumptions used to generate the revenue estimates contained in Senate Joint Resolution 2. It does not reflect changes, if any, enacted by the 2013 Legislature that may affect future estimates of this revenue source.

	t	Total Tax	GF Tax	Nursing	Bed	Intermediate	Intermediate	MMHNCC
	<u>Fiscal</u>	<u>Millions</u>	<u>Millions</u>	<u>Facilities</u>	<u>Days</u>	<u>Care</u>	<u>Care</u>	<u>Tax</u>
				<u>Fee</u>	<u>Millions</u>	<u>Rate</u>	<u>Revenue</u>	<u>Millions</u>
Actual	2002	5.918	5.918	2.80	2.114			
Actual	2003	6.178	5.860	2.80	2.008	5.0%	11.131	
Actual	2004	10.022	5.916	4.50	2.035	5.0%	17.261	
Actual	2005	11.602	5.912	5.30	2.034	5.0%	16.438	
Actual	2006	14.650	5.712	7.05	1.951	6.0%	14.954	
Actual	2007	17.074	5.717	8.30	1.951	6.0%	14.625	
Actual	2008	16.759	5.610	8.30	1.912	6.0%	14.845	0.122
Actual	2009	16.348	5.469	8.30	1.860	6.0%	15.129	0.095
Actual	2010	16.019	5.300	8.30	1.820	6.0%	15.233	0.095
Actual	2011	15.541	5.197	8.30	1.760	6.0%	15.526	0.091
Actual	2012	15.176	5.077	8.30	1.722	6.0%	14.700	0.088
Forecast	2013	14.748	4.876	8.30	1.674	6.0%	14.304	0.093
Forecast	2014	14.435	4.740	8.30	1.627	6.0%	13.919	0.099
Forecast	2015	14.028	4.603	8.30	1.580	6.0%	13.544	0.104

Total Tax = Nursing Facilities × Bed + Intermediate Care Rate × Intermediate Care Revenue + MMHNCC

GF Tax = MMHNCC × 30% + (Nursing Fee × Bed Days - MMHNCC) × \$2.80/\$8.30 +

Care Revenue × Care Rate × 30%

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Revenue Projection:

