

WEST VIRGINIA LEGISLATURE
EIGHTY-SECOND LEGISLATURE
REGULAR SESSION, 2015



ENROLLED

Senate Bill No. 583

(BY SENATORS M. HALL, WALTERS, BLAIR, BOSO, FACEMIRE,
LAIRD, MULLINS, PLYMALE, PREZIOSO, STOLLINGS,
SYPOLT AND TAKUBO)

[PASSED MARCH 13, 2015; IN EFFECT JULY 1, 2015.]

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SYPOLT AND TAKUBO)

[Passed March 13, 2015; in effect July 1, 2015.]

AN ACT to amend and reenact §11-27-11 of the Code of West Virginia, 1931, as amended, relating to increasing the tax rate on providers of certain nursing facility services; and providing effective dates for the tax rate.

Be it enacted by the Legislature of West Virginia:

That §11-27-11 of the Code of West Virginia, 1931, as amended, be amended and reenacted to read as follows:

ARTICLE 27. HEALTH CARE PROVIDER TAXES.

§11-27-11. Imposition of tax on providers of nursing facility services, other than services of intermediate care facilities for individuals with an intellectual disability.

- 1 (a) *Imposition of tax.* – For the privilege of engaging or
- 2 continuing within this state in the business of providing
- 3 nursing facility services, other than those services of
- 4 intermediate care facilities for individuals with an intellectual

5 disability, there is levied and shall be collected from every
6 person rendering such service an annual broad-based health
7 care-related tax: *Provided*, That hospitals which provide
8 nursing facility services may adjust nursing facility rates to
9 the extent necessary to compensate for the tax without first
10 obtaining approval from the Health Care Authority:
11 *Provided, however*, That the rate adjustment is limited to a
12 single adjustment during the initial year of the imposition of
13 the tax which adjustment is exempt from prospective review
14 by the Health Care Authority and further which is limited to
15 an amount not to exceed the amount of the tax which is levied
16 against the hospital for the provision of nursing facility
17 services pursuant to this section. The Health Care Authority
18 shall retroactively review the rate increases implemented by
19 the hospitals under this section during the regular rate review
20 process. A hospital which fails to meet the criteria established
21 by this section for a rate increase exempt from prospective
22 review is subject to the penalties imposed under article
23 twenty-nine-b, chapter sixteen of the code.

24 (b) *Rate and measure of tax.* – The tax imposed in
25 subsection (a) of this section is five and one-half percent of
26 the gross receipts derived by the taxpayer from furnishing
27 nursing facility services in this state, other than services of
28 intermediate care facilities for individuals with an intellectual
29 disability. This rate shall be increased to five and seventy-
30 two one hundredths percent of the gross receipts received or
31 receivable by providers of nursing facility services on and
32 after October 1, 2015, and shall again be decreased to five
33 and one-half percent of the gross receipts received or
34 receivable by providers of nursing services after June 30,
35 2016.

36 (c) *Definitions.* –

37 (1) “Gross receipts” means the amount received or
38 receivable, whether in cash or in kind, from patients, third-
39 party payors and others for nursing facility services furnished
40 by the provider, including retroactive adjustments under
41 reimbursement agreements with third-party payors, without
42 any deduction for any expenses of any kind: *Provided*, That
43 accrual basis providers are allowed to reduce gross receipts
44 by their bad debts, to the extent the amount of those bad debts
45 was previously included in gross receipts upon which the tax
46 imposed by this section was paid.

47 (2) “Nursing facility services” means those services that
48 are nursing facility services for purposes of section 1903(w)
49 of the Social Security Act.

50 (d) *Effective date.* – The tax imposed by this section
51 applies to gross receipts received or receivable by providers
52 after May 31, 1993.

The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

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Chairman Senate Committee

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Chairman House Committee

Originated in the Senate.

In effect July 1, 2015.

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Clerk of the Senate

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Clerk of the House of Delegates

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President of the Senate

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Speaker of the House of Delegates

The within this the

Day of, 2015.

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Governor