

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.]

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 continuing within this state in the
2 business of providing nursing facility services, other than those services of intermediate care
3 facilities for individuals with an intellectual disability, there is levied and shall be collected from
4 every person rendering such service an annual broad-based health care-related tax: *Provided*, That
5 hospitals which provide nursing facility services may adjust nursing facility rates to the extent

1 necessary to compensate for the tax without first obtaining approval from the Health care Authority:
2 *Provided, however,* That the rate adjustment is limited to a single adjustment during the initial year
3 of the imposition of the tax which adjustment is exempt from prospective review by the Health Care
4 Authority and further which is limited to an amount not to exceed the amount of the tax which is
5 levied against the hospital for the provision of nursing facility services pursuant to this section. The
6 Health Care Authority shall retroactively review the rate increases implemented by the hospitals
7 under this section during the regular rate review process. A hospital which fails to meet the criteria
8 established by this section for a rate increase exempt from prospective review is subject to the
9 penalties imposed under article twenty-nine-b, chapter sixteen of the code.

10 (b) *Rate and measure of tax.* -- The tax imposed in subsection (a) of this section is five and
11 one-half percent of the gross receipts derived by the taxpayer from furnishing nursing facility
12 services in this state, other than services of intermediate care facilities for individuals with an
13 intellectual disability. This rate shall be increased to five and seventy-two one hundredths percent
14 of the gross receipts received or receivable by providers of nursing facility services on and after
15 October 1, 2015, and shall again be decreased to five and one-half percent of the gross receipts
16 received or receivable by providers of nursing services after June 30, 2016.

17 (c) *Definitions.* --

18 (1) "Gross receipts" means the amount received or receivable, whether in cash or in kind,
19 from patients, third-party payors and others for nursing facility services furnished by the provider,
20 including retroactive adjustments under reimbursement agreements with third-party payors, without
21 any deduction for any expenses of any kind: *Provided,* That accrual basis providers are allowed to

1 reduce gross receipts by their bad debts, to the extent the amount of those bad debts was previously
2 included in gross receipts upon which the tax imposed by this section was paid.

3 (2) "Nursing facility services" means those services that are nursing facility services for
4 purposes of §1903(w) of the Social Security Act.

5 (d) *Effective date.* -- The tax imposed by this section applies to gross receipts received or
6 receivable by providers after May 31, 1993.