

MINUTES
HOUSE REVENUE & TAXATION COMMITTEE

DATE: Wednesday, April 03, 2019

TIME: 1:30 P.M.

PLACE: Room EW42

MEMBERS: Chairman Collins, Vice Chairman Stevenson, Representatives Moyle, Anderst, Dayley, Chaney, Gestrin, Addis, Dixon, Furniss, Giddings, Nichols, Ricks, Erpelding, Ellis, Mason

**ABSENT/
EXCUSED:** Representative(s) Moyle, Chaney

GUESTS: None.

Chairman Collins called the meeting to order at 1:36 p.m.

MOTION: **Rep. Stevenson** made a motion to approve the minutes of April 2, 2019. **Motion carried by voice vote.**

RS 27174: **Rep. Thomas Dayley** informed the committee **RS 27174** repeals the sales tax exemption on all nonexempt hospitals except critical access hospitals as defined by 42 U.S.C. 1395x and creates the Medicaid Expansion Dedicated Fund where all those monies would go. Regarding the fiscal note, hospitals should generate \$37.7 million in FY2021, and taking out the exempt hospitals defined in US code would mean about \$24.5 million would go into the newly created Medicaid Expansion Dedicated Fund.

In response to committee questions concerning the exact definition of hospitals in the federal code, **Rep. Dayley** discussed various federal and state definitions that could be applied and advised the committee he would provide direct citations to authority as well as the number of Idaho hospitals impacted at bill hearing.

MOTION: **Rep. Gestrin** made a motion to introduce **RS 27174**. **Motion carried by voice vote.**

RS 27175: **Rep. Dayley** explained **RS 27175** amends Idaho Code § 56-1404 by changing the maximum hospital assessment rate and more clearly defining the distribution of the assessment. **RS 27175** also creates the Medicaid Expansion Dedicated Fund where a portion of the monies generated by the hospital will be deposited. We have in Idaho code an assessment of hospitals to help pay for the administrative costs related to the Medicaid Program. Under current law, the maximum amount for this assessment federally is 5.8% and for Idaho 2.5%, with the current assessment rate for hospitals at 1.8%. **RS 27175** would take the 1.8%, raise the maximum assessment amount in Idaho from 2.5% to the federal rate of 5.8%. The funds currently used for the purpose of administration of the hospitals could go up to 2.5% under the proposed legislation, and anything above the 2.5% would go into the Medicaid Expansion Dedicated Fund. The full amount generated would be approximately \$18 million.

In response to committee questions, **Rep. Dayley** said **RS 27175** is trying to have all the players involved in medical processes engaged in medicaid expansion. He further replied to committee comments expressing concern about increasing health costs to Idahoans by stating the cost of medicaid expansion will come from Idahoans no matter how presented.

MOTION: **Rep. Stevenson** made a motion to introduce **RS 27175**. **Motion carried by voice vote.**

ADJOURN: There being no further business to come before the committee, the meeting adjourned at 1:49 p.m.

Representative Collins
Chair

Lorrie Byerly
Secretary