WEST VIRGINIA LEGISLATURE
FIRST REGULAR SESSION, 2007

ENROLLED

House Bill No. 2992

(By Delegates White, Kominar, Reynolds, Perdue, Marshall, Iaquinta, Stalnaker, Ashley, Evans, Border and Walters)

Passed March 9, 2007

In Effect Ninety Days from Passage
AN ACT to amend and reenact §11-27-11 of the Code of West Virginia, 1931, as amended, relating to decreasing the health care provider tax imposed on gross receipts of providers of nursing facility services and setting forth effective date.

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 the mentally retarded.

1 (a) Imposition of tax. -- For the privilege of engaging or continuing within this state in the business of providing nursing facility services, other than those services of
intermediate care facilities for the mentally retarded, there is hereby levied and shall be collected from every person rendering such service an annual broad-based health care-related tax: Provided, That hospitals which provide nursing facility services may adjust nursing facility rates to the extent necessary to compensate for the tax without first obtaining approval from the health care authority: Provided, however, That the rate adjustment is limited to a single adjustment during the initial year of the imposition of the tax which adjustment shall be exempt from prospective review by the health care authority and further which is limited to an amount not to exceed the amount of the tax which is levied against the hospital for the provision of nursing facility services pursuant to this section. The health care authority shall retroactively review the rate increases implemented by the hospitals under this section during the regular rate review process. A hospital which fails to meet the criteria established by this section for a rate increase exempt from prospective review shall be subject to the penalties imposed under article twenty-nine-b, chapter sixteen of the code.

(b) Rate and measure of tax. -- The tax imposed in subsection (a) of this section shall be five and one-half percent of the gross receipts derived by the taxpayer from furnishing nursing facility services in this state, other than services of intermediate care facilities for the mentally retarded. This rate shall be increased to five and ninety-five one hundredths percent of the gross receipts received or receivable by providers of nursing facility services after the thirtieth day of June, two thousand four and shall again be decreased to five and one-half percent of the gross receipts received or receivable by providers of nursing services after the thirty-first day of October, two thousand seven.

(c) Definitions. --

(1) "Gross receipts" means the amount received or receivable, whether in cash or in kind, from patients, third-party payors and others for nursing facility services furnished by the provider, including retroactive adjustments under reimbursement agreements with third-party payors, without
any deduction for any expenses of any kind:  *Provided,* That
accrual basis providers shall be allowed to reduce gross
receipts by their bad debts, to the extent the amount of such
bad debts was previously included in gross receipts upon
which the tax imposed by this section was paid.

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

(d) *Effective date.* -- The tax imposed by this section shall
apply to gross receipts received or receivable by providers
after the thirty-first day of May, one-thousand nine hundred
ninety-three.
That Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Chairman Senate Committee

Chairman House Committee

Originating in the House.

In effect ninety days from passage.

Clerk of the Senate

Clerk of the House of Delegates

President of the Senate

Speaker of the House of Delegates

The within is approved this the 23rd day of March, 2007.

Governor