

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

Amend the amendment by inserting after Part MMMM the following:

## PART NNNN

**Sec. NNNN-1. 36 MRSA §2891, sub-§1**, as corrected by RR 2003, c. 2, §116, is amended to read:

**1. Hospital.** "Hospital" means an acute care health care facility with permanent inpatient beds planned, organized, operated and maintained to offer for a continuing period of time facilities and services for the diagnosis and treatment of illness, injury and deformity; with a governing board and an organized medical staff offering continuous 24-hour professional nursing care; with a plan to provide emergency treatment 24 hours a day and including other services as defined in rules of the Department of Health and Human Services relating to licensure of general and specialty hospitals; and that is licensed under Title 22, chapter 405 as a general hospital, specialty hospital or critical access hospital. For purposes of this chapter, "hospital" does not include a nursing home or a publicly owned specialty hospital and, for state fiscal years beginning on or after July 1, 2008, municipally funded hospitals.

**Sec. NNNN-2. 36 MRSA §2891, sub-§1-A** is enacted to read:

**1-A. Municipally funded hospital.** "Municipally funded hospital" means Mayo Regional Hospital in Dover-Foxcroft or Cary Medical Center in Caribou.

**Sec. NNNN-3. 36 MRSA §2892**, as amended by PL 2005, c. 12, Pt. ZZ, §2, is further amended to read:

### **§ 2892. Tax imposed**

For the state fiscal year beginning on July 1, 2003, a tax is imposed against each hospital in the State. The tax is equal to .74% of net operating revenue for the tax year as identified on the hospital's most recent audited annual financial statement for that tax year. Delinquent tax payments are subject to Title 22, section 3175-C.

For state fiscal years beginning on or after July 1, 2004, a tax is imposed annually against each hospital in the State. The tax is equal to 2.23% of the hospital's net operating revenue as identified in the hospital's audited financial statement for the hospital's taxable year. For the state fiscal year beginning July 1, 2004, the hospital's taxable year is the hospital's fiscal year that ended during calendar year 2002. For the state fiscal year beginning July 1, 2005, the hospital's taxable year is the hospital's fiscal year that ended during calendar year 2003. For state fiscal years beginning on or after July 1, 2006 but before July 1, 2008, the hospital's taxable year is the hospital's fiscal year that ended during calendar year 2004.

For state fiscal years beginning on or after July 1, 2008, the hospital's taxable year is the hospital's fiscal year that ended during calendar year 2006.

**Sec. NNNN-4. Appropriations and allocations.** The following appropriations and allocations are made.

**HEALTH AND HUMAN SERVICES, DEPARTMENT OF (FORMERLY DHS)**

**Medical Care - Payments to Providers 0147**

Initiative: Adjusts funding to reflect an update of the hospital tax base year from 2004 to 2006 and the exclusion of municipally funded hospitals from the tax beginning July 1, 2008.

<b>GENERAL FUND</b>	<b>2007-08</b>	<b>2008-09</b>
All Other	\$0	(\$11,394,341)
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GENERAL FUND TOTAL	\$0	(\$11,394,341)
<b>OTHER SPECIAL REVENUE FUNDS</b>	<b>2007-08</b>	<b>2008-09</b>
All Other	\$0	\$11,394,341
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OTHER SPECIAL REVENUE FUNDS TOTAL	\$0	\$11,394,341

**Medical Care - Payments to Providers 0147**

Initiative: Appropriates and allocates funds for additional payments to hospitals under the MaineCare program.

<b>GENERAL FUND</b>	<b>2007-08</b>	<b>2008-09</b>
All Other	\$0	\$3,269,264
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GENERAL FUND TOTAL	\$0	\$3,269,264
<b>FEDERAL EXPENDITURES FUND</b>	<b>2007-08</b>	<b>2008-09</b>
All Other	\$0	\$5,846,206
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FEDERAL EXPENDITURES FUND TOTAL	\$0	\$5,846,206

**Medical Care - Payments to Providers 0147**

Initiative: Restores funding for hospital-based physicians reduced in Part A, section 28.

<b>GENERAL FUND</b>	<b>2007-08</b>	<b>2008-09</b>
All Other	\$0	\$7,282,509
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GENERAL FUND TOTAL	\$0	\$7,282,509
<b>FEDERAL EXPENDITURES FUND</b>	<b>2007-08</b>	<b>2008-09</b>
All Other	\$0	\$13,022,827
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FEDERAL EXPENDITURES FUND TOTAL	\$0	\$13,022,827
<b>HEALTH AND HUMAN SERVICES, DEPARTMENT OF (FORMERLY DHS) DEPARTMENT TOTALS</b>	<b>2007-08</b>	<b>2008-09</b>
GENERAL FUND	\$0	(\$842,568)
FEDERAL EXPENDITURES FUND	\$0	\$18,869,033
OTHER SPECIAL REVENUE FUNDS	\$0	\$11,394,341
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<b>DEPARTMENT TOTAL - ALL FUNDS</b>	<b>\$0</b>	<b>\$29,420,806</b>

Amend the amendment by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

### SUMMARY

This amendment adds a new Part that updates the base year for the hospital tax and excludes municipally funded hospitals from the tax after July 1, 2008.

**FISCAL NOTE REQUIRED**  
(See attached)