

March 14, 2001

Mr. President:

Your FINANCE COMMITTEE, to whom has been referred

SENATE BILL 191

has had it under consideration and reports same with
recommendation that it DO PASS, amended as follows:

1. On page 1, line 13, before the period insert "; IMPOSING
CONDITIONS FOR CLAIMING THE CREDIT".

2. On page 1, line 19, before "A" insert the subsection
designation "A. ".

3. On page 1, line 21, strike "beginning on or after July 1,
2001" and insert in lieu thereof "of an eligible twelve-month
period".

4. On page 1, line 25, strike the closing quotation mark and
insert in lieu thereof:

"The credit provided in this section shall be considered a payment
of the state portion of gross receipts tax.

B. As used in this section:

(1) "charity care" means the provision of medically
necessary care to an individual who has a household income less
than two hundred percent of the federal poverty level, is without
any reasonably identifiable alternative third party or other
payment sources and has been deemed pursuant to the hospital's
credit and collection policies and procedures, financially unable
to pay for all or part of the services rendered;

(2) "cost-to-charge ratio" means the relationship
that a hospital's total operating expenses bear to the hospital's
reported charges for the same period as determined by the federal

health care financing administration medicare cost report filed by the hospital and audited and finalized by the federal health care financing administration;

(3) "eligible twelve-month period" means the twelve-month period beginning on July 1 of any year that a hospital reported uncompensated care in an amount equal to at least three percent of net patient revenues for the year ending on June 30 of the year prior to that July 1;

(4) "net patient revenue" means for any year the total amount realized from patients, third-party payers and others for services rendered to an individual patient, including estimated retroactive adjustments under reimbursement agreements with third-party payers, provided that retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined; and

(5) "uncompensated care" means for any period the sum of the following multiplied by the cost-to-charge ratio for that same period:

(a) an account receivable based on services furnished to a patient that is: 1) regarded as uncollectible following reasonable collection efforts pursuant to the facility's credit and collection policies and procedures; 2) charged as a credit loss pursuant to the facility's credit and collection policies and procedures; and 3) not otherwise classified as charity care; and

(b) the unpaid amount of the total hospital, including emergency room, charges for charity care, provided that for those hospitals with a discounted or sliding fee scale established by the governing board, total charges shall be determined based on the discounted or sliding fee scale. "Charges for charity care" do not include the difference between

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total charges and the allowable amount paid by a third party, including medicaid, medicare and the county indigent fund, regardless of a patient's income level."".

Respectfully submitted,

Ben D. Altamirano, Chairman

Adopted _____ Not Adopted _____
(Chief Clerk) (Chief Clerk)

Date _____

The roll call vote was 6 For 0 Against
Yes: 6
No: 0
Excused: Campos, Lyons, Rawson, Rodriguez
Absent: None

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