

MINNESOTA · REVENUE

MNCare Provider Tax Third-Party Purchaser Compliance

February 27, 2002

	Yes	No
Separate Official Fiscal Note Requested		X
Fiscal Impact		
DOR Administrative Costs/Savings		X

Department of Revenue

Analysis of S.F. 2809 (Sams) / H.F. 2833 (Bradley), **as amended on February 27, 2002.**

	Revenue Gain or (Loss)			
	<u>F.Y. 2002</u>	<u>F.Y. 2003</u>	<u>F.Y. 2004</u>	<u>F.Y. 2005</u>
		(000's)		
General Fund	\$0	\$0	\$0	\$0

Effective August 1, 2002, for actions arising from incidents on or after that date.

EXPLANATION OF THE BILL

Current Law: Health care providers may pass provider tax obligations on to all third-party purchasers. Third-party purchasers must pay the transferred expense in addition to payments due under existing contracts with the providers.

Proposed Law: The legislation clarifies that third-party purchasers are responsible for paying the (transferred) tax regardless of whether the health care provider has chosen to itemize the liability on patient billings. Further, third party purchasers must provide documentation of compliance as a part of its annual renewal for certification authority.

REVENUE ANALYSIS DETAIL

- Analysis provided by DOR MNCare Division.

ADMINISTRATIVE/OPERATIONAL IMPACT

There will be no significant administrative or operational costs or savings to DOR in administration of this bill.

Source: Minnesota Department of Revenue
Tax Research Division
<http://www.taxes.state.mn.us/polic.html#analyses>