

SENATE BILL 67

Introduced by Halligan

1/10	Introduced
1/11	Fiscal Note Requested
1/11	Referred to Taxation
1/11	First Reading
1/17	Hearing
1/17	Fiscal Note Received
1/18	Fiscal Note Printed
1/18	Tabled in Committee

1 SENATE BILL NO. 67
2 INTRODUCED BY [Signature]

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING A REFUNDABLE
5 STATE INCOME TAX CREDIT TO PHYSICIANS PROVIDING OBSTETRICAL
6 SERVICES TO MEDICAID RECIPIENTS; AND PROVIDING AN IMMEDIATE
7 EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE."

8
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10 NEW SECTION. Section 1. Credit for physicians
11 providing medicaid obstetrical services. (1) To promote
12 access to obstetrical care for medicaid recipients, there is
13 allowed a credit against the income tax liability of a
14 physician licensed to practice medicine in this state who
15 provides obstetrical services to medicaid recipients under
16 the Montana medicaid program established in 53-6-101. The
17 credit is allowed for a percentage of the difference between
18 the usual and customary charges or fees for obstetrical
19 services and the medicaid reimbursement amount for
20 obstetrical services. The credit is allowed for each
21 medicaid patient in the physician's practice receiving
22 obstetrical services, subject to the following provisions:

23 (a) For a physician who provides obstetrical services
24 in a city with a population greater than 10,000, the amount
25 of the credit is 40% of the difference between the usual and

1 customary charges or fees for obstetrical services and the
2 medicaid reimbursement amount for obstetrical services. The
3 maximum credit any physician may claim in a year under this
4 subsection is \$5,000.

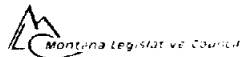
5 (b) For a physician who provides obstetrical services
6 in a city with a population equal to or less than 10,000,
7 the amount of the credit is 75% of the difference between
8 the usual and customary charges or fees for obstetrical
9 services and the medicaid reimbursement amount for
10 obstetrical services. The maximum credit any physician may
11 claim in a year under this subsection is \$10,000.

12 (2) If the amount of the credit provided for under
13 subsection (1)(a) or (1)(b) exceeds the physician's
14 individual income tax liability under this chapter, the
15 amount of the excess must be refunded to the physician. The
16 credit may be claimed even though the physician has no
17 taxable income under this chapter.

18 (3) As used in this section, "obstetrical services"
19 includes prenatal care, delivery, and postpartum services.

20 NEW SECTION. Section 2. Codification instruction.
21 [Section 1] is intended to be codified as an integral part
22 of Title 15, chapter 30, part 1, and the provisions of Title
23 15, chapter 30, part 1, apply to [section 1].

24 NEW SECTION. Section 3. Retroactive applicability.
25 [Section 1] applies retroactively, within the meaning of



IC 0102/01

- 1 1-2-109, to taxable years beginning after December 31, 1990.
- 2 NEW SECTION. **Section 4.** Effective date. [This act] is
- 3 effective on passage and approval.

-End-

STATE OF MONTANA - FISCAL NOTE
Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB0067, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act providing a refundable state income tax credit to physicians providing obstetrical services to medicaid recipients; and providing an immediate date and a retroactive applicability date.


ASSUMPTIONS:

1. Obstetrical services are defined as all prenatal, delivery, and post-partum services associated with a global vaginal delivery.
2. There are 2,570 medicaid deliveries annually in Montana performed by 128 physicians. Of the 128 physicians, 52% (67 physicians) provide services in cities with a population larger than 10,000 (urban), and 48% (61 physicians) provide obstetrical services in cities with a population less than 10,000 (rural)(SRS, 1989).
3. The annual refundable credit is 40% of the difference between usual & customary charges and the medicaid reimbursement up to a total of \$5,000 for "urban" physicians and 75% of the difference between usual & customary charges and the medicaid reimbursement up to a total \$10,000 for a "rural" physician.
4. The medicaid reimbursement amount for a delivery (includes prenatal and post-partum) is \$755.00 (SRS, 1990).
5. The average amount of the usual & customary charges for a delivery (includes prenatal and post-partum) is \$1,369.54 (SRS, 1989).
6. Under the proposed legislation, the average credit per medicaid delivery would be \$245.82 for an "urban" physician and \$460.91 for a "rural" physician.
7. The credit would cap for the average "urban" physician at 20 medicaid deliveries; the average "rural" physician would cap at 22 medicaid deliveries.
8. The average number of medicaid deliveries per physician practicing obstetrics in Montana is 20.1 per year.

FISCAL IMPACT:

see next page

 1-17-91
ROD SUNDSTED, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

 1-18-91
MIKE HALLIGAN, PRIMARY SPONSOR DATE
Fiscal Note for SB0067, as introduced. **SB 67**

Fiscal Note Request SB0067, as introduced.

Form BD-15

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FISCAL IMPACT:

Revenues:

(General Fund)

	<u>FY '92</u>			<u>FY '93</u>		
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
Individual Income Tax	311,176,000	310,279,000	(897,000)	327,201,000	326,304,000	(897,000)

Expenditures:

The proposed legislation would require modification to the tax processing system within the Department of Revenue. Total development and operating costs during FY 1992 would be \$22,000. Operating costs would be \$ 2,920 in FY 1993 and annually thereafter.

	<u>FY '92</u>			<u>FY '93</u>		
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
Development Costs	0	19,080	19,080	0	0	0
Operating Costs	0	2,920	2,920	0	2,920	2,920
Total	0	22,000	22,000	0	2,920	2,920

Funding:

General Fund	0	22,080	22,080	0	2,920	2,920
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