

## Legislation Text

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**File #:** 100136, **Version:** 1

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Amending Chapter 19-3500 of The Philadelphia Code, entitled "General Acute Care Hospital Assessment," by clarifying its applicability to High Volume Medicaid Hospitals, by revising due dates, by making changes to conform to amendments to State law, and making technical changes, all under certain terms and conditions.

*THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:*

SECTION 1. Chapter 19-3500 of The Philadelphia Code is amended to read as follows:

CHAPTER 19-3500. [GENERAL ACUTE CARE] HOSPITAL [ASSESSMENT] *ASSESSMENTS*.

§ 19-3501. Definitions.

In this Chapter, the following words and phrases shall have the meanings given to them in this Section, unless the context clearly indicates otherwise:

(1) "Assessment." The fee to be assessed [every] *on* [general acute care hospital within the City] *General Acute Care Hospitals under § 19-3502(1) or the fee to be assessed on High Volume Medicaid Hospitals under § 19-3502(2).*

(2) Reserved.

(3) "General Acute Care Hospital." A Hospital other than a Hospital that the Secretary has determined meets one of the following:

(a) Is excluded under 42 CFR § 412.23(a), (b), (d), (e) and (f) (relating to excluded hospitals: classifications) as of March 20, 2008, from reimbursement of certain Federal funds under the prospective payment system described by 42 CFR Pt. 412 (relating to prospective payment systems for inpatient hospital services).

(b) Is a Federal veterans' affairs hospital.

(c) Is a High Volume Medicaid Hospital.

(d) Provides care, including inpatient hospital services, to all patients free of charge.

(4) "Hospital." A facility licensed by the Pennsylvania Department of Health as a hospital under 28 Pa. Code, Part IV, Subpart B (relating to general and special hospitals).

(5) "Net Operating Revenue." Gross charges for facilities less any deducted amounts for bad debts, charity care, and [payer discounts] *contractual allowances*, as those terms are applied pursuant to [42 C.F.R. § 433.68(d)(1)(iii)] *section 801-E of the Act of June 13, 1967, P.L. 31, No. 21, 62 P.S. § 801-E, known as the Public Welfare Code.*

(6) "Secretary." The Secretary of Public Welfare for the Commonwealth.

(7) "High Volume Medicaid Hospital." A Hospital that the Secretary has determined provides over 90,000 days of care to medical assistance patients per year and is a non-profit hospital subsidiary of a state-related institution as that term is defined in 62 Pa. C.S. § 103 (relating to definitions).

(8) "High Volume Medicaid Hospital Assessment." The fee to be assessed upon every High Volume Medicaid Hospital within the City.

#### § 19-3502. Imposition of the General Acute Care Hospital Assessment and High Volume Medicaid Hospital Assessment.

(1) Subject to § 19-3503, effective January 1, 2009 and thereafter, an [Assessment] *assessment* is hereby imposed upon every General Acute Care Hospital in the City in an amount equal to 3.93% of annual Net Operating Revenue excluding *all revenues received from* Medicare [Net Operating Revenue].

(2) Subject to § 19-3503, effective [January 1, 2010] *October 1, 2009*, and thereafter, a High Volume Medicaid Hospital Assessment is hereby imposed upon every High Volume Medicaid Hospital in the City in an amount equal to 3.45% of annual Net Operating Revenue excluding *all revenues received from* Medicare [Net Operating Revenue].

(3) Notwithstanding any exemptions granted by any other Federal, State or local tax or other law, including, without limitation, Section 204(a)(3) of the Act of May 22, 1933 (P.L. 853), known as the General County Assessment Law, no General Acute Care Hospital or High Volume Medicaid Hospital shall be exempt from the Assessment.

#### § 19-3503. Cessation of Assessment.

(1) [The] *Each* Assessment shall not be imposed or effective [during any period for which] *to the extent* the Secretary certifies to the Director of Finance that (a) revenues generated by the Assessment will not qualify as the Commonwealth share of program expenditures eligible for Federal financial participation, or (b) [that] the Assessment proceeds will exceed the maximum aggregate amount that may be assessed under 42 CFR § 433.68(f)(3)(i) or any other maximum established under Federal law.

#### § 19-3504. Notice, Returns and Payment.

(1) On or before December 1 of each year in which [the] *an* Assessment [or the High Volume Medicaid Hospital Assessment] is in effect or imposed, the Department shall provide notice of the rate of the applicable assessment to each General Acute Care Hospital and High Volume Medicaid Hospital. Failure to provide notice shall not relieve any General Acute Care Hospital or High Volume Medicaid Hospital of any obligation hereunder.

(2) Returns shall be filed on such forms as the Department may prescribe, and [the] *each* Assessment [and the High Volume Medicaid Hospital Assessment] shall be [payable, quarterly, by no later than thirty days after the end of each fiscal quarter] *payable in four equal installments by no later than, respectively, September 15, December 15, March 15, and June 1, of each fiscal year; provided that, for the fiscal year ending June 30, 2010, only, the four equal installments shall be payable by no later than October 30, January*

30, April 30, and June 1.

(3) Every General Acute Care Hospital and High Volume Medicaid Hospital making a return shall certify the correctness thereof.

§ 19-3505. Deposit and Distribution of Tax Revenues.

(1) The Department shall collect the [Assessment and the High Volume Medicaid Hospital Assessment] *Assessments* from General Acute Care Hospitals and High Volume Medicaid Hospitals and deposit the revenues received therefrom in a special fund established for purposes set forth herein.

(2) The special fund established under subsection (1) shall be used solely as follows:

(a) Remittance to the Commonwealth for deposit into that restricted account within the General Fund established by the Commonwealth for appropriation to the Commonwealth Department of Public Welfare for the purposes of making supplemental or increased medical assistance payments for emergency department services to General Acute Care Hospitals within the City and to maintain or increase other medical assistance payments to Hospitals within the City.

(b) [Such other purposes as may be] *In amounts* authorized pursuant to an agreement between the Revenue Commissioner and the Secretary, [which amounts shall include, but not be limited to,] *to fund the City's costs of administration and collection of the assessments; and to fund a portion of the City's costs of operating public health clinics.*

§ 19-3506. Administration and Enforcement.

(1) The provisions of Chapter 19-500, entitled "Taxes and Rents - General", shall apply to the administration and enforcement of this Chapter.

(2) The Department is hereby authorized to promulgate regulations governing the administration, and enforcement of the provisions of this Chapter.

§ 19-3507. Severability.

Should any section, subsection, sentence, clause or phrase of this Chapter be declared invalid by a court of competent jurisdiction, such decision shall not affect the validity of the Chapter in its entirety or of any part thereof other than that declared to be invalid; provided however that if such decision would cause any High Volume Medicaid Hospital to be subject to the Assessment found in § 19-3502(1), Bill No. 090446 shall be void in its entirety, other than the provision of Bill No. 090446 adding this Section 19-3507 to the Code.

SECTION 2. Effective date. This Ordinance shall be effective upon certification by the City Solicitor to the Chief Clerk of Council that the necessary authorizing legislation has been enacted by the General Assembly and that the Revenue Commissioner and the Commonwealth Secretary of Public Welfare have entered into an agreement regarding authorized retention of funds by the City. This Ordinance and the assessments imposed hereunder are subject to all of the conditions and requirements specified under the aforementioned State authorizing legislation. To the extent any quarterly due date authorized by this Ordinance occurred prior to the Effective Date of this Ordinance, the payments that would have been due on such dates shall become due, in one lump sum, at the next due date following the Effective Date of this Ordinance.

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**Explanation:**

[Brackets] indicate matter deleted.

*Italics* indicate new matter added.