

1 HOUSE BILL NO. 56

2 INTRODUCED BY E. BUTTREY

3 BY REQUEST OF THE ECONOMIC AFFAIRS INTERIM COMMITTEE

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5 A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING AN AMBULANCE PROVIDER ASSESSMENT  
6 FEE; ESTABLISHING PROCEDURES FOR COLLECTING AND DISTRIBUTING THE ASSESSMENT FEE;  
7 ALLOWING AUDITING OF AMBULANCE PROVIDER REPORTS AND PAYMENTS; ALLOWING FOR  
8 PENALTIES AND INTEREST; REQUIRING REVENUES GENERATED BY THE ASSESSMENT FEE TO BE  
9 USED FOR SUPPLEMENTING AMBULANCE PROVIDER MEDICAID PAYMENTS; PROVIDING  
10 DEFINITIONS; PROVIDING RULEMAKING AUTHORITY; PROVIDING A STATUTORY APPROPRIATION;  
11 AMENDING SECTION 17-7-502, MCA; PROVIDING FOR CONTINGENT VOIDNESS; AND PROVIDING A  
12 CONTINGENT EFFECTIVE DATE."

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14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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16 NEW SECTION. Section 1. Definitions. As used in [sections 1 through 13], the following definitions  
17 apply:

18 (1) (a) "Ambulance provider" means a person licensed pursuant to 50-6-306 to provide ground  
19 ambulance transport, including transport for a municipal fire or police department or other government entity.

20 (b) The term does not include:

21 (i) an entity that exclusively provides air ambulance services; or

22 (ii) an entity operated by the United States, an Indian tribe, or any facility authorized under the  
23 Indian Health Care Improvement Act.

24 (2) "Assessment fee" means the ambulance provider assessment fee as provided in [section 2].

25 (3) "Department" means the department of revenue provided for in 2-15-1301.

26 (4) "Emergency ambulance services" means any service delivered by an ambulance provider other  
27 than air ambulance services.

28 (5) (a) "Net operating revenue" means gross revenue collected by ambulance providers for the

1 delivery of emergency ambulance services, minus amounts deducted for bad debt, charity care, and payer  
2 discounts.

3 (b) The term does not include nonpatient service-related revenue.  
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5 NEW SECTION. Section 2. Ambulance provider assessment fee. (1) Each ambulance provider  
6 shall pay to the department a uniform assessment fee of 5.75% of net operating revenues.

7 (2) The AFTER THE ADMINISTRATION COSTS OF THE DEPARTMENT ARE DEDUCTED, THE department shall  
8 deposit the REMAINING proceeds from collection of the assessment fee in the ambulance provider special  
9 revenue account provided for in [section 14].  
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11 NEW SECTION. Section 3. Relation to other taxes and fees. The assessment fee imposed under  
12 [section 2] is, in addition to any other taxes and fees, required to be paid by ambulance providers.  
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14 NEW SECTION. Section 4. Rulemaking authority. The department may adopt rules necessary to  
15 administer [sections 1 through 13].  
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17 NEW SECTION. Section 5. Reporting and collection of assessment fee. (1) On or before ~~March~~  
18 ~~31~~ JUNE 30 each year, an ambulance provider shall file with the department a report of its net operating revenue  
19 received during the previous calendar year. The report must be:

20 (a) in the form prescribed by the department; and

21 (b) accompanied by a payment in an amount equal to the assessment fee required to be paid  
22 under [section 2].

23 (2) Revenue received for all emergency ambulance services provided during the calendar year  
24 must be included in the calculation of the ambulance provider's net operating revenue regardless of the source  
25 of payment for the services rendered, including services covered under fee-for-service and managed care  
26 arrangements.

27 (3) In the case of a transfer of ownership, the successor in interest to the ambulance provider  
28 assumes the liability for the assessment fee.

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**NEW SECTION. Section 6. Audit -- records.** (1) The department may audit the records and other documents of an ambulance provider to ensure that the proper assessment fee has been collected.

(2) The department may require the ambulance provider to provide records and other documentation, including books, ledgers, and registers, necessary for the department to verify the proper amount of the assessment fee paid.

(3) An ambulance provider shall maintain and make available for inspection by the department sufficient records and other documentation to demonstrate how the ambulance provider's net operating revenue was calculated. The ambulance provider shall maintain the records for at least 5 years from the date the report is due.

**NEW SECTION. Section 7. Periods of limitation.** (1) Except as otherwise provided in this section, a deficiency may not be assessed or collected with respect to the year for which a report is filed unless the notice of additional fees proposed to be assessed is mailed within 5 years from the date the report was filed. For the purposes of this section, a report filed before the last day prescribed for filing is considered filed on the last day. If, before the expiration of the period prescribed for the assessment of the fees, the ambulance provider consents in writing to an assessment after the 5-year period, the fees may be assessed at any time prior to the expiration of the period agreed on.

(2) A refund or credit may not be paid or allowed with respect to the year for which a report is filed after 5 years from the last day prescribed for filing the report or after 1 year from the date of the overpayment, whichever period expires later, unless before the expiration of the period, the ambulance provider files a claim or the department has determined the existence of the overpayment and has approved the refund or credit. If the ambulance provider has agreed in writing under the provisions of subsection (1) to extend the time within which the department may propose an additional assessment, the period for filing a claim for a refund or credit or for allowing a refund or credit if no claim is filed, is automatically extended.

**NEW SECTION. Section 8. Penalty and interest for delinquent fee.** If an ambulance provider does not pay the required assessment fee on or before the due date of the report as provided in [section 5], penalty

1 and interest, as provided in 15-1-216, must be added to the assessment fee.

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3 **NEW SECTION. Section 9. Estimated assessment fee on failure to file.** For the purposes of  
4 ascertaining the correctness of any report, the department may:

5 (1) examine or cause to have examined by a designated agent or representative any books,  
6 papers, records, or memoranda bearing on the information required to be included in the report;

7 (2) require the attendance of any officer or employee of the ambulance provider making the report  
8 or the attendance of any other persons having relevant knowledge; and

9 (3) take testimony and require the production of any other material for its information.

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11 **NEW SECTION. Section 10. Deficiency assessment -- penalty and interest -- hearing.** (1) (a) If  
12 the department determines that the amount of the assessment fee due is greater than the amount disclosed by  
13 the report, it shall mail the ambulance provider a notice of the additional fees proposed to be assessed. Within  
14 30 days after the mailing of the notice, the ambulance provider may file with the department a written protest  
15 against the proposed additional fees stating the grounds on which the protest is based. The ambulance  
16 provider may request in its protest an oral hearing or an opportunity to present additional evidence relating to its  
17 fee liability.

18 (b) If a protest is not filed, the amount of the additional fees proposed to be assessed becomes  
19 final on the expiration of the 30-day period.

20 (c) If a protest is filed, the department shall reconsider the proposed assessment and, if the  
21 ambulance provider has requested, shall grant the provider an oral hearing. After consideration of the protest  
22 and the evidence presented at an oral hearing, the department's action on the protest is final when it mails  
23 notice of its action to the ambulance provider.

24 (2) When a deficiency is determined and the fees become final, the department shall mail a notice  
25 and demand to the ambulance provider for payment. Penalty and interest may be added to any deficiency  
26 assessment as provided in 15-1-216.

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28 **NEW SECTION. Section 11. Closing agreements.** (1) The director of the department or a person

1 authorized in writing by the director may enter into an agreement with an ambulance provider relating to the  
2 liability of the provider in respect to fees imposed by [sections 1 through 13].

3 (2) An agreement under this section is final and conclusive, and, except on a showing of fraud,  
4 malfeasance, or misrepresentation of a material fact:

5 (a) the case may not be reopened as to matters agreed on or the agreement modified by an  
6 officer, employee, or agent of this state; and

7 (b) in a suit, action, or proceeding under the agreement or a determination, assessment, collection,  
8 payment, abatement, refund, or credit made in accordance with the agreement, the agreement may not be  
9 annulled, modified, set aside, or disregarded.

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11 NEW SECTION. **Section 12. Credit for overpayment -- interest on overpayment.** (1) If the  
12 department determines that the amount of fees, penalty, or interest due for any year is less than the amount  
13 paid, the amount of the overpayment must be credited against any fees, penalty, or interest then due from the  
14 ambulance provider and the balance must be refunded to the ambulance provider or its successor through  
15 reorganization, merger, or consolidation or to its shareholders on dissolution.

16 (2) Except as provided in subsection (3), interest is allowed on overpayments at the same rate as  
17 is charged on unpaid taxes, as provided in 15-1-216. Interest is due from the due date of the report or from the  
18 date of overpayment, whichever date is later, to the date the department approves refunding or crediting of the  
19 overpayment. Interest does not accrue during a period during which the processing of a claim for refund is  
20 delayed more than 30 days by reason of failure of the ambulance provider to furnish information requested by  
21 the department for the purpose of verifying the amount of the overpayment.

22 (3) Interest is not allowed:

23 (a) if the overpayment is refunded within 6 months from the date the report is due or from the date  
24 the return is filed, whichever is later; or

25 (b) if the amount of interest is less than \$1.

26 (4) A payment not made incident to a discharge of actual ambulance provider assessment fee  
27 liability or payment reasonably assumed to be imposed under [sections 1 through 13] is not considered an  
28 overpayment with respect to which interest is allowable.

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NEW SECTION. **Section 13. Warrant for distraint.** If the assessment fee is not paid when due, the department may issue a warrant for distraint as provided in Title 15, chapter 1, part 7.

NEW SECTION. **Section 14. Ambulance medicaid reimbursement special revenue account -- statutory appropriation.** (1) There is an ambulance medicaid reimbursement account in the state special revenue account provided for in 17-2-102 to the credit of the department of public health and human services.

(2) The account consists of:

- (a) money from the assessment fee provided for in [section 2];
- (b) any penalties and interest on penalties collected pursuant to [sections 1 through 13];
- (c) other money authorized by the legislature to be credited to the account; and
- (d) income earned on the account.

(3) Money in the account must be used by the department of public health and human services to provide funding no later than ~~June 30~~ SEPTEMBER 30 of each year for increases in medicaid payments to emergency ambulance services up to the average commercial rate for the service and for the cost of collection of the fees and other administrative activities associated with the implementation of increases in the medicaid payments to ambulance providers.

(4) Money remaining in the account at the end of a fiscal year may not be expended or transferred for any other purpose.

(5) Money in the account is statutorily appropriated, as provided in 17-7-502, for the purposes provided for in this section.

**Section 15.** Section 17-7-502, MCA, is amended to read:

**"17-7-502. Statutory appropriations -- definition -- requisites for validity.** (1) A statutory appropriation is an appropriation made by permanent law that authorizes spending by a state agency without the need for a biennial legislative appropriation or budget amendment.

(2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply with both of the following provisions:

1 (a) The law containing the statutory authority must be listed in subsection (3).

2 (b) The law or portion of the law making a statutory appropriation must specifically state that a  
3 statutory appropriation is made as provided in this section.

4 (3) The following laws are the only laws containing statutory appropriations: 2-17-105; 5-11-120; 5-  
5 11-407; 5-13-403; 5-13-404; 7-4-2502; 7-4-2924; 7-32-236; 10-1-108; 10-1-1202; 10-1-1303; 10-2-603; 10-2-  
6 807; 10-3-203; 10-3-310; 10-3-312; 10-3-314; 10-3-316; 10-3-802; 10-3-1304; 10-4-304; 10-4-310; 15-1-121;  
7 15-1-142; 15-1-143; 15-1-218; 15-1-2302; 15-31-165; 15-31-1004; 15-31-1005; 15-35-108; 15-36-332; 15-37-  
8 117; 15-39-110; 15-65-121; 15-70-128; 15-70-131; 15-70-132; 15-70-433; 16-11-119; 16-11-509; 17-3-106; 17-  
9 3-212; 17-3-222; 17-3-241; 17-6-101; 17-6-214; 17-7-133; 17-7-215; 18-11-112; 19-3-319; 19-3-320; 19-6-410;  
10 19-9-702; 19-13-604; 19-17-301; 19-18-512; 19-19-305; 19-19-506; 19-20-604; 19-20-607; 19-21-203; 20-3-  
11 369; 20-7-1709; 20-8-107; 20-9-250; 20-9-534; 20-9-622; [ 20-15-328]; 20-26-617; 20-26-1503; 22-1-327; 22-3-  
12 116; 22-3-117; [ 22-3-1004]; 23-4-105; 23-5-306; 23-5-409; 23-5-612; 23-7-301; 23-7-402; 30-10-1004; 37-43-  
13 204; 37-50-209; 37-54-113; 39-71-503; 41-5-2011; 42-2-105; 44-4-1101; 44-4-1506; 44-12-213; 44-13-102; 50-  
14 1-115; 53-1-109; section 14; 53-6-148; 53-9-113; 53-24-108; 53-24-206; 60-5-530; 60-11-115; 61-3-321; 61-3-  
15 415; 67-1-309; 69-3-870; 69-4-527; 75-1-1101; 75-5-1108; 75-6-214; 75-11-313; 75-26-308; 76-13-150; 76-13-  
16 151; 76-13-417; 76-17-103; 77-1-108; 77-2-362; 80-2-222; 80-4-416; 80-11-518; 80-11-1006; 81-1-112; 81-1-  
17 113; 81-2-203; 81-7-106; 81-7-123; 81-10-103; 82-11-161; 85-20-1504; 85-20-1505; [ 85-25-102]; 87-1-603;  
18 87-5-909; 90-1-115; 90-1-205; 90-1-504; 90-6-331; and 90-9-306.

19 (4) There is a statutory appropriation to pay the principal, interest, premiums, and any costs or fees  
20 associated with issuing, paying, securing, redeeming, or defeasing all bonds, notes, or other obligations, as due  
21 in the ordinary course or when earlier called for redemption or defeased, that have been authorized and issued  
22 pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of  
23 Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined  
24 by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have  
25 statutory appropriation authority for the payments. (In subsection (3): pursuant to sec. 10, Ch. 360, L. 1999, the  
26 inclusion of 19-20-604 terminates contingently when the amortization period for the teachers' retirement  
27 system's unfunded liability is 10 years or less; pursuant to sec. 73, Ch. 44, L. 2007, the inclusion of 19-6-410  
28 terminates contingently upon the death of the last recipient eligible under 19-6-709(2) for the supplemental

1 benefit provided by 19-6-709; pursuant to sec. 5, Ch. 383, L. 2015, the inclusion of 85-25-102 is effective on  
2 occurrence of contingency; pursuant to sec. 6, Ch. 423, L. 2015, the inclusion of 22-3-116 and 22-3-117  
3 terminates June 30, 2025; pursuant to sec. 4, Ch. 122, L. 2017, the inclusion of 10-3-1304 terminates  
4 September 30, 2025; pursuant to sec. 1, Ch. 213, L. 2017, the inclusion of 90-6-331 terminates June 30, 2027;  
5 pursuant to sec. 10, Ch. 374, L. 2017, the inclusion of 76-17-103 terminates June 30, 2027; pursuant to secs.  
6 11, 12, and 14, Ch. 343, L. 2019, the inclusion of 15-35-108 terminates June 30, 2027; pursuant to sec. 1, Ch.  
7 408, L. 2019, the inclusion of 17-7-215 terminates June 30, 2029; pursuant to secs. 1, 2, 3, Ch. 139, L. 2021,  
8 the inclusion of 53-9-113 terminates June 30, 2027; pursuant to sec. 8, Ch. 200, L. 2021, the inclusion of 10-4-  
9 310 terminates July 1, 2031; pursuant to secs. 3, 4, Ch. 404, L. 2021, the inclusion of 30-10-1004 terminates  
10 June 30, 2027; pursuant to sec. 5, Ch. 548, L. 2021, the inclusion of 50-1-115 terminates June 30, 2025;  
11 pursuant to secs. 5 and 12, Ch. 563, L. 2021, the inclusion of 22-3-1004 is effective July 1, 2027; pursuant to  
12 sec. 1, Ch. 20, L. 2023, sec. 2, Ch. 20, L. 2023, and sec. 3, Ch. 20, L. 2023, the inclusion of 81-1-112, 81-1-  
13 113, and 81-7-106 terminates June 30, 2029; pursuant to sec. 9, Ch. 44, L. 2023, the inclusion of 15-1-142  
14 terminates December 31, 2025; pursuant to sec. 10, Ch. 47, L. 2023, the inclusion of 15-1-2302 terminates  
15 June 30, 2025; pursuant to sec. 2, Ch. 374, L. 2023, the inclusion of 10-3-802 terminates June 30, 2031;  
16 pursuant to sec. 12, Ch. 558, L. 2023, the inclusion of 20-9-250 terminates December 31, 2029; pursuant to  
17 sec. 4, Ch. 621, L. 2023, the inclusion of 22-1-327 terminates July 1, 2029; pursuant to sec. 24, Ch. 722, L.  
18 2023, the inclusion of 17-7-133 terminates June 30, 2027; pursuant to sec. 10, Ch. 758, L. 2023, the inclusion  
19 of 44-4-1506 terminates June 30, 2027; and pursuant to sec. 10, Ch. 764, L. 2023, the inclusion of 15-1-143  
20 terminates December 31, 2025.)"

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22 **NEW SECTION. Section 16. Direction to department of revenue.** The legislature directs the  
23 department of revenue to delay collection of the assessment fee provided for in [section 2] until the department  
24 of public health and human services notifies the department of revenue that the centers for medicare and  
25 medicaid services has approved the payments provided for in [section 14].

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27 **NEW SECTION. Section 17. Codification instruction.** (1) [Sections 1 through 13] are intended to  
28 be codified as a new chapter in Title 15, and the provisions of Title 15 apply to [sections 1 through 13].



