

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1723 - SB 1740

March 8, 2024

SUMMARY OF BILL: Creates the *Annual Coverage Assessment Act of 2024*, which extends an annual coverage assessment on hospitals of 4.87 percent of a covered hospital's annual coverage assessment base to FY24-25.

FISCAL IMPACT:

Increase State Revenue – \$699,239,900/FY24-25/

Maintenance Coverage Trust Fund

The Governor's proposed budget for FY24-25, on page A-34, recognizes revenue in the amount of \$679,376,400 in state funds and \$1,256,350,600 in federal funds.

Assumptions:

- It is estimated that the 4.87 percent annual coverage assessment on hospital net revenues (as reported to Centers for Medicare and Medicaid Services) will result in an increase in revenue to the Maintenance of Coverage Trust Fund of \$699,239,878.

IMPACT TO COMMERCE:

Increase Business Expenditures – \$699,239,900/FY24-25

Assumptions:

- Hospital providers will incur an increase in expenditures in FY24-25 for funding the Act.
- The proposed legislation will not increase the number of hospital providers; therefore, any impact to jobs in Tennessee is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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