

HOUSE BILL 385

By Butler

AN ACT to amend Tennessee Code Annotated, Title 67,  
Chapter 4, relative to tax relief.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 67, Chapter 4, is amended by adding the following as a new part:

**67-4-1301.**

As used in this part:

- (1) "Division" means the division of TennCare;
- (2) "Eligible healthcare provider" or "provider" means:
  - (A) A healthcare provider who participates as a provider in the TennCare program or a successor medicaid program provided for in title 71, chapter 5; or
  - (B) A group practice that holds a contract with the division or a managed care organization participating in the TennCare program or a successor medicaid program provided for in title 71, chapter 5;
- (3) "Group practice":
  - (A) Means two (2) or more healthcare providers who are associated together in a healthcare practice;
  - (B) Includes a corporation, limited liability company, or partnership organized or owned by two (2) or more healthcare providers who are associated together in a healthcare practice; and

(C) Does not include a hospital, ambulatory surgical treatment center, assisted-care living facility, nursing home, outpatient diagnostic center, or home care organization as such terms are defined in § 68-11-201, or other healthcare institution or facility;

(4) "Healthcare provider" means an individual who is licensed, certified, or authorized or permitted by the laws of this state to administer health care in the ordinary course of business or practice of a profession;

(5) "TennCare recipient" means an individual eligible for and enrolled in the TennCare program or a successor medicaid program provided for in title 71, chapter 5; and

(6) "Unreimbursed costs" means an amount equal to the difference between one hundred twenty-five percent (125%) of the average federal medicaid reimbursement rate and the TennCare reimbursement rate paid to an eligible healthcare provider by the division or a managed care organization for healthcare services provided by an eligible healthcare provider to a TennCare recipient.

**67-4-1302.**

(a) TennCare shall, upon payment of the fee prescribed under subsection (b), certify an eligible healthcare provider's unreimbursed costs in a calendar year as charitable contributions made exclusively for public purposes to TennCare pursuant to 26 U.S.C. § 170. TennCare shall provide the eligible healthcare provider with a statement of the total amount of such charitable contributions provided by the eligible healthcare provider in a calendar year by January 31 of the following year.

(b) An eligible healthcare provider shall pay TennCare twenty-five dollars (\$25.00) each year by January 15 to receive the certification produced under subsection

(a). If an eligible healthcare provider is a group practice, then the eligible healthcare provider shall pay TennCare twenty-five dollars (\$25.00) for each healthcare provider in the group practice by January 15 to receive the certification produced under subsection (a).

(c) The division is authorized to promulgate rules to implement this part. All rules must be promulgated in accordance with the provisions of the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

SECTION 2. For purposes of promulgating rules, this act takes effect upon becoming a law, the public welfare requiring it. For all other purposes, this act takes effect July 1, 2025, the public welfare requiring it, and applies to charitable contributions made on or after that date.