

Nursing Facilities Fee

Revenue Description

Utilization fees are assessed on nursing facilities and intermediate care facilities in Montana. Nursing facilities are health care facilities licensed by the Department of Public Health and Human Services (DPHHS) and include those operated for profit or non-profit, freestanding or part of another health facility, and may be either publicly or privately owned. Nursing facilities do not include adult foster homes, retirement homes, and other alternative living arrangements. Currently, Montana’s only intermediate care facility is the Montana Developmental Center (MDC).

Statutory Reference

Tax Rate – Nursing facility utilization fee: [15-60-102, MCA](#); intermediate care facility utilization fee: [15-67-102\(2\), MCA](#)

Tax Distribution – Nursing facility utilization fee: [15-60-102, MCA](#) & [15-60-210, MCA](#); intermediate care facility utilization fee: [15-67-102\(3\), MCA](#)

Date Due – Nursing facility utilization fee due the last day of the month following the close of the calendar quarter ([15-60-201, MCA](#)); intermediate care facility utilization fee due the month following the close of the calendar quarter ([15-67-201\(1\), MCA](#))

Applicable Tax Rates

Nursing facility utilization fee: \$8.30 per bed day

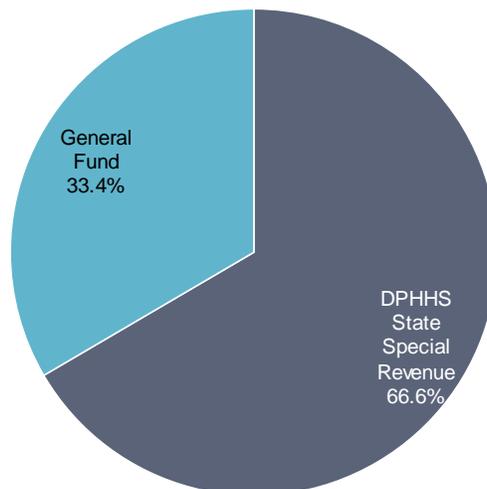
Intermediate care facility utilization fee: 6% of a facility’s quarterly revenue divided by quarterly bed days

Bed days are defined as a 24-hour period in which a resident of a nursing facility is present in the facility or in which a bed is held for a resident while on temporary leave.

Collection Frequency: Quarterly

Distribution

Nursing facility fee revenue is distributed between the general fund and the DPHHS state special revenue prevention and stabilization fund. The following chart shows the FY 2014 distribution of nursing facility fee revenue.



Comparison of Legislative and Executive Forecasts

There are no material differences between the legislative and executive branch forecasts.

Nursing Facilities Fees (\$ Millions)				
	FY 2015	FY 2016	FY 2017	Total
Executive Forecast	\$4.750	\$4.650	\$4.560	\$13.960
Legislative Forecast	4.859	4.756	4.654	14.269
Difference	(\$0.109)	(\$0.106)	(\$0.094)	(\$0.309)
% Difference	-2.2%	-2.2%	-2.0%	-2.2%

Forecast Risks

- Change in rate of facility utilization

Revenue Estimate MethodologyData

Data for this source are obtained from the DOR, DPHHS, and SABHRS. Information on taxable bed days in various facilities is provided by DOR; counts of bed days and total revenue at the MDC come from DPHHS; fiscal year collections are from SABHRS.

Analysis

Total collections are calculated by summing the estimates for nursing facility revenue and intermediate care facility revenue. Nursing facility fees are forecast using a linear regression over time to project future bed days at nursing care facilities which are then multiplied by the applicable tax rate.

Intermediate care facility fees are projected by applying the average growth rate of past fiscal years to the last year of actual revenue collections.

Revenue Estimate Assumptions

FY	Total Tax \$ Millions	GF Tax \$ Millions	Nursing Home	MDC
			Bed Days (Millions)	Revenue (Millions)
A 2002	\$5.918	\$5.918	211.363	\$0.000
A 2003	6.178	5.860	200.770	11.131
A 2004	10.022	5.916	203.530	17.261
A 2005	11.602	5.912	203.400	16.438
A 2006	14.650	5.712	195.074	14.954
A 2007	17.074	5.717	195.134	14.625
A 2008	16.759	5.610	191.181	14.845
A 2009	16.348	5.469	186.032	15.129
A 2010	16.019	5.300	181.991	15.233
A 2011	15.541	5.197	176.014	15.526
A 2012	15.176	5.077	172.219	14.700
A 2013	14.671	4.928	165.297	15.863
A 2014	14.836	4.961	167.827	15.104
F 2015	14.529	4.859	164.420	14.697
F 2016	14.222	4.756	161.013	14.301
F 2017	13.916	4.654	157.605	13.916

