

Bulletin Number: MSA 14-02

Distribution: Nursing Facilities, County Medical Care Facilities, Hospital Long-Term Care Units, Hospital Swing Beds, and Ventilator-Dependent Care Units

Issued: January 30, 2014

Subject: Cost Reporting & Reimbursement Appendix – Penalty Taxes Under the Patient Protection and Affordable Care Act

Effective: March 1, 2014

Programs Affected: Medicaid

This bulletin is being published in response to questions received on employer penalty taxes under the Patient Protection and Affordable Care Act (PPACA). This penalty tax may be assessed on employers beginning in 2015.

The Medicaid Nursing Facility Cost Reporting and Reimbursement Appendix, Section 8.28 Taxes and Fees, is being revised. This revision includes a new subsection called "Penalty Taxes Under the Patient Protection and Affordable Care Act." This new subsection provides clarification and will read as follows:

8.28.D. Penalty Taxes Under the Patient Protection and Affordable Care Act

Penalty taxes that may be assessed on employers under the employer shared responsibility provisions in the PPACA are not allowable costs used to calculate the Medicaid room and board rate. As such, the facility must remove these penalty taxes from allowable costs via a Worksheet 1-B adjustment.

Manual Maintenance

Retain this bulletin until the information has been incorporated into the Michigan Medicaid Provider Manual.

Questions

Any questions regarding this bulletin should be directed to Provider Inquiry, Department of Community Health, P.O. Box 30731, Lansing, Michigan 48909-8231, or e-mail at ProviderSupport@michigan.gov. When you submit an e-mail be sure to include your name, affiliation, and phone number so you may be contacted if necessary. Providers may phone toll-free 1-800-292-2550.

Approved



Stephen Fitton, Director
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