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## **OLR Bill Analysis**

### **sSB 441**

#### ***AN ACT CONCERNING A CREDIT FOR AMBULATORY SURGICAL CENTERS.***

#### **SUMMARY**

This bill authorizes a refundable state tax credit against the ambulatory surgical center (ASC) gross receipts tax based on a portion of the (1) Medicaid payments the ASC received and (2) payments it received from ASC services provided to individuals covered under the state employee health plan or municipal employees health insurance program (MEHIP).

The bill also makes a technical correction to the effective date of a provision in the FY 22-23 budget implementer act authorizing ASCs to file written refund claims (PA 21-2, June Special Session, § 465).

EFFECTIVE DATE: July 1, 2023, and applicable to calendar quarters beginning on or after July 1, 2023, except the technical correction is effective upon passage.

#### **ASC TAX CREDIT**

Under the bill, the tax credit is equal to the sum of the ASC's "Medicaid investment" and "state health plan investment":

1. The "Medicaid investment" is an amount, selected by each ASC, equal to 50% of the (a) aggregate Medicaid payments the ASC received during the applicable reporting period for ASC services or (b) difference between these payments and the aggregate Medicaid payments that would have been received by a hospital during the reporting period if substantially similar services had been performed there.
2. The "state health plan investment" is 25% of the aggregate payments received from or on behalf of each individual covered

under the state employee health plan or MEHIP for providing ASC services.

If the credit amount allowed exceeds the ASC's gross receipts tax liability for the reporting period, the ASC must file a refund claim with the Department of Revenue Services (DRS), according to the statutory process for making these claims. After verifying the claim, the DRS commissioner must treat the excess as an overpayment and refund it to the ASC without interest.

## **BACKGROUND**

### ***ASC Services***

By law, "ASC services" are the procedures and services included in a facility fee payment to an ASC that are (1) associated with a surgical procedure and (2) not reimbursable ancillary or professional procedures or services. They include facility services only and exclude surgical procedures and physicians', anesthetists', radiology, diagnostic, and ambulance services separately reimbursed to an ASC from the facility fee payment.

### ***Related Bill***

sHB 5475 (§ 44), favorably reported by the Finance, Revenue and Bonding Committee, includes the same correction to the ASC filing effective date provision.

## **COMMITTEE ACTION**

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 51 Nay 0 (04/06/2022)