



AN ACT ESTABLISHING AN AMBULANCE PROVIDER ASSESSMENT FEE; ESTABLISHING PROCEDURES FOR COLLECTING AND DISTRIBUTING THE ASSESSMENT FEE; ALLOWING AUDITING OF AMBULANCE PROVIDER REPORTS AND PAYMENTS; ALLOWING FOR PENALTIES AND INTEREST; REQUIRING REVENUES GENERATED BY THE ASSESSMENT FEE TO BE USED FOR SUPPLEMENTING AMBULANCE PROVIDER MEDICAID PAYMENTS; PROVIDING DEFINITIONS; PROVIDING RULEMAKING AUTHORITY; PROVIDING A STATUTORY APPROPRIATION; PROVIDING APPROPRIATIONS FOR THE DEPARTMENT OF REVENUE TO IMPLEMENT AND ADMINISTER THE COLLECTION OF THE ASSESSMENT FEE; PROVIDING FOR REIMBURSEMENT TO THE GENERAL FUND FROM THE STATE SPECIAL REVENUE ACCOUNT; AMENDING SECTION 17-7-502, MCA; PROVIDING FOR CONTINGENT VOIDNESS; AND PROVIDING A CONTINGENT EFFECTIVE DATE AND A TERMINATION DATE.”

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Definitions. As used in [sections 1 through 13], the following definitions apply:

(1) “Air ambulance services” means ambulance services provided by aircraft as defined in 50-6-302.

~~(1)(2)~~ (a) "Ambulance provider" means a person licensed pursuant to 50-6-306 ~~to provide ground ambulance transport, including transport for a municipal fire or police department or other government entity.~~

(b) The term does not include:

(i) an entity that exclusively provides air ambulance services; ~~or~~

(ii) an entity operated by the United States, an Indian tribe, or any facility authorized under the Indian Health Care Improvement Act; or

(iii) a public ambulance provider.

~~(2)(3)~~ "Assessment fee" means the ambulance provider assessment fee as provided in [section 2].

~~(3)~~(4) "Department" means the department of revenue provided for in 2-15-1301.

~~(4)~~(5) "Emergency ambulance services" means any service delivered by an ambulance provider other than air ambulance services.

~~(5)~~(6) (a) "Net operating revenue" means gross revenue collected by ambulance providers for the delivery of emergency ambulance services, minus amounts deducted for bad debt, charity care, and payer discounts.

(b) The term does not include nonpatient service-related revenue.

(7) "Public ambulance provider" means an ambulance provider that is incorporated under Title 7.

Section 2. Ambulance provider assessment fee. (1) Each ambulance provider shall pay to the department a uniform assessment fee of 5.75% of net operating revenues.

(2) ~~The~~ After the administration costs of the department are deducted, the department shall deposit the remaining proceeds from collection of the assessment fee in the ambulance provider special revenue account provided for in [section 14].

Section 3. Relation to other taxes and fees. The assessment fee imposed under [section 2] is, in addition to any other taxes and fees, required to be paid by ambulance providers.

Section 4. Rulemaking authority. The department may adopt rules necessary to administer [sections 1 through 13].

Section 5. Reporting and collection of assessment fee. (1) On or before ~~March 31~~ June 30 each year, an ambulance provider shall file with the department a report of its net operating revenue received during the previous calendar year. The report must be:

(a) in the form prescribed by the department; and
(b) accompanied by a payment in an amount equal to the assessment fee required to be paid under [section 2].

(2) Revenue received for all emergency ambulance services provided during the calendar year

must be included in the calculation of the ambulance provider's net operating revenue regardless of the source of payment for the services rendered, including services covered under fee-for-service and managed care arrangements.

(3) In the case of a transfer of ownership, the successor in interest to the ambulance provider assumes the liability for the assessment fee.

Section 6. Audit -- records. (1) The department may audit the records and other documents of an ambulance provider to ensure that the proper assessment fee has been collected.

(2) The department may require the ambulance provider to provide records and other documentation, including books, ledgers, and registers, necessary for the department to verify the proper amount of the assessment fee paid.

(3) An ambulance provider shall maintain and make available for inspection by the department sufficient records and other documentation to demonstrate how the ambulance provider's net operating revenue was calculated. The ambulance provider shall maintain the records for at least 5 years from the date the report is due.

Section 7. Periods of limitation. (1) Except as otherwise provided in this section, a deficiency may not be assessed or collected with respect to the year for which a report is filed unless the notice of additional fees proposed to be assessed is mailed within 5 years from the date the report was filed. For the purposes of this section, a report filed before the last day prescribed for filing is considered filed on the last day. If, before the expiration of the period prescribed for the assessment of the fees, the ambulance provider consents in writing to an assessment after the 5-year period, the fees may be assessed at any time prior to the expiration of the period agreed on.

(2) A refund or credit may not be paid or allowed with respect to the year for which a report is filed after 5 years from the last day prescribed for filing the report or after 1 year from the date of the overpayment, whichever period expires later, unless before the expiration of the period, the ambulance provider files a claim or the department has determined the existence of the overpayment and has approved the refund or credit. If the ambulance provider has agreed in writing under the provisions of subsection (1) to extend the time within

which the department may propose an additional assessment, the period for filing a claim for a refund or credit or for allowing a refund or credit if no claim is filed, is automatically extended.

Section 8. Penalty and interest for delinquent fee. If an ambulance provider does not pay the required assessment fee on or before the due date of the report as provided in [section 5], penalty and interest, as provided in 15-1-216, must be added to the assessment fee.

Section 9. Estimated assessment fee on failure to file. For the purposes of ascertaining the correctness of any report, the department may:

- (1) examine or cause to have examined by a designated agent or representative any books, papers, records, or memoranda bearing on the information required to be included in the report;
- (2) require the attendance of any officer or employee of the ambulance provider making the report or the attendance of any other persons having relevant knowledge; and
- (3) take testimony and require the production of any other material for its information.

Section 10. Deficiency assessment -- penalty and interest -- hearing. (1) (a) If the department determines that the amount of the assessment fee due is greater than the amount disclosed by the report, it shall mail the ambulance provider a notice of the additional fees proposed to be assessed. Within 30 days after the mailing of the notice, the ambulance provider may file with the department a written protest against the proposed additional fees stating the grounds on which the protest is based. The ambulance provider may request in its protest an oral hearing or an opportunity to present additional evidence relating to its fee liability.

(b) If a protest is not filed, the amount of the additional fees proposed to be assessed becomes final on the expiration of the 30-day period.

(c) If a protest is filed, the department shall reconsider the proposed assessment and, if the ambulance provider has requested, shall grant the provider an oral hearing. After consideration of the protest and the evidence presented at an oral hearing, the department's action on the protest is final when it mails notice of its action to the ambulance provider.

- (2) When a deficiency is determined and the fees become final, the department shall mail a notice

and demand to the ambulance provider for payment. Penalty and interest may be added to any deficiency assessment as provided in 15-1-216.

Section 11. Closing agreements. (1) The director of the department or a person authorized in writing by the director may enter into an agreement with an ambulance provider relating to the liability of the provider in respect to fees imposed by [sections 1 through 13].

(2) An agreement under this section is final and conclusive, and, except on a showing of fraud, malfeasance, or misrepresentation of a material fact:

(a) the case may not be reopened as to matters agreed on or the agreement modified by an officer, employee, or agent of this state; and

(b) in a suit, action, or proceeding under the agreement or a determination, assessment, collection, payment, abatement, refund, or credit made in accordance with the agreement, the agreement may not be annulled, modified, set aside, or disregarded.

Section 12. Credit for overpayment -- interest on overpayment. (1) If the department determines that the amount of fees, penalty, or interest due for any year is less than the amount paid, the amount of the overpayment must be credited against any fees, penalty, or interest then due from the ambulance provider and the balance must be refunded to the ambulance provider or its successor through reorganization, merger, or consolidation or to its shareholders on dissolution.

(2) Except as provided in subsection (3), interest is allowed on overpayments at the same rate as is charged on unpaid taxes, as provided in 15-1-216. Interest is due from the due date of the report or from the date of overpayment, whichever date is later, to the date the department approves refunding or crediting of the overpayment. Interest does not accrue during a period during which the processing of a claim for refund is delayed more than 30 days by reason of failure of the ambulance provider to furnish information requested by the department for the purpose of verifying the amount of the overpayment.

(3) Interest is not allowed:

(a) if the overpayment is refunded within 6 months from the date the report is due or from the date the return is filed, whichever is later; or

(b) if the amount of interest is less than \$1.

(4) A payment not made incident to a discharge of actual ambulance provider assessment fee liability or payment reasonably assumed to be imposed under [sections 1 through 13] is not considered an overpayment with respect to which interest is allowable.

Section 13. Warrant for distraint. If the assessment fee is not paid when due, the department may issue a warrant for distraint as provided in Title 15, chapter 1, part 7.

Section 14. Ambulance medicaid reimbursement special revenue account -- statutory appropriation. (1) There is an ambulance medicaid reimbursement account in the state special revenue account provided for in 17-2-102 to the credit of the department of public health and human services.

(2) The account consists of:

- (a) money from the assessment fee provided for in [section 2];
- (b) any penalties and interest on penalties collected pursuant to [sections 1 through 13];
- (c) other money authorized by the legislature to be credited to the account; and
- (d) income earned on the account.

(3) Money in the account must be used by the department of public health and human services as follows:

(a) to first reimburse the general fund through a transfer from this account to the general fund for appropriations made to the department of revenue to implement, collect, and administer the ambulance provider assessment fee;

(b) to fund personal services for the department of revenue for implementing [this act]; and

(c) to provide funding no later than June 30-September 30 of each year for increases in medicaid payments to emergency ambulance services up to the average commercial rate for the service and for the cost of collection of the fees and other administrative activities associated with the implementation of increases in the medicaid payments to ambulance providers.

(4) Money remaining in the account at the end of a fiscal year may not be expended or transferred for any other purpose except as provided in subsection (3)(a).

(5) Money in the account is statutorily appropriated, as provided in 17-7-502, for the purposes provided for in this section.

Section 15. Section 17-7-502, MCA, is amended to read:

"17-7-502. Statutory appropriations -- definition -- requisites for validity. (1) A statutory appropriation is an appropriation made by permanent law that authorizes spending by a state agency without the need for a biennial legislative appropriation or budget amendment.

(2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply with both of the following provisions:

(a) The law containing the statutory authority must be listed in subsection (3).

(b) The law or portion of the law making a statutory appropriation must specifically state that a statutory appropriation is made as provided in this section.

(3) The following laws are the only laws containing statutory appropriations: 2-17-105; 5-11-120; 5-11-407; 5-13-403; 5-13-404; 7-4-2502; 7-4-2924; 7-32-236; 10-1-108; 10-1-1202; 10-1-1303; 10-2-603; 10-2-807; 10-3-203; 10-3-310; 10-3-312; 10-3-314; 10-3-316; 10-3-802; 10-3-1304; 10-4-304; 10-4-310; 15-1-121; 15-1-142; 15-1-143; 15-1-218; 15-1-2302; 15-31-165; 15-31-1004; 15-31-1005; 15-35-108; 15-36-332; 15-37-117; 15-39-110; 15-65-121; 15-70-128; 15-70-131; 15-70-132; 15-70-433; 16-11-119; 16-11-509; 17-3-106; 17-3-212; 17-3-222; 17-3-241; 17-6-101; 17-6-214; 17-7-133; 17-7-215; 18-11-112; 19-3-319; 19-3-320; 19-6-410; 19-9-702; 19-13-604; 19-17-301; 19-18-512; 19-19-305; 19-19-506; 19-20-604; 19-20-607; 19-21-203; 20-3-369; 20-7-1709; 20-8-107; 20-9-250; 20-9-534; 20-9-622; [20-15-328]; 20-26-617; 20-26-1503; 22-1-327; 22-3-116; 22-3-117; [22-3-1004]; 23-4-105; 23-5-306; 23-5-409; 23-5-612; 23-7-301; 23-7-402; 30-10-1004; 37-43-204; 37-50-209; 37-54-113; 39-71-503; 41-5-2011; 42-2-105; 44-4-1101; 44-4-1506; 44-12-213; 44-13-102; 50-1-115; 53-1-109; [section 14]; 53-6-148; 53-9-113; 53-24-108; 53-24-206; 60-5-530; 60-11-115; 61-3-321; 61-3-415; 67-1-309; 69-3-870; 69-4-527; 75-1-1101; 75-5-1108; 75-6-214; 75-11-313; 75-26-308; 76-13-150; 76-13-151; 76-13-417; 76-17-103; 77-1-108; 77-2-362; 80-2-222; 80-4-416; 80-11-518; 80-11-1006; 81-1-112; 81-1-113; 81-2-203; 81-7-106; 81-7-123; 81-10-103; 82-11-161; 85-20-1504; 85-20-1505; [85-25-102]; 87-1-603; 87-5-909; 90-1-115; 90-1-205; 90-1-504; 90-6-331; and 90-9-306.

(4) There is a statutory appropriation to pay the principal, interest, premiums, and any costs or fees

associated with issuing, paying, securing, redeeming, or defeasing all bonds, notes, or other obligations, as due in the ordinary course or when earlier called for redemption or defeased, that have been authorized and issued pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory appropriation authority for the payments. (In subsection (3): pursuant to sec. 10, Ch. 360, L. 1999, the inclusion of 19-20-604 terminates contingently when the amortization period for the teachers' retirement system's unfunded liability is 10 years or less; pursuant to sec. 73, Ch. 44, L. 2007, the inclusion of 19-6-410 terminates contingently upon the death of the last recipient eligible under 19-6-709(2) for the supplemental benefit provided by 19-6-709; pursuant to sec. 5, Ch. 383, L. 2015, the inclusion of 85-25-102 is effective on occurrence of contingency; pursuant to sec. 6, Ch. 423, L. 2015, the inclusion of 22-3-116 and 22-3-117 terminates June 30, 2025; pursuant to sec. 4, Ch. 122, L. 2017, the inclusion of 10-3-1304 terminates September 30, 2025; pursuant to sec. 1, Ch. 213, L. 2017, the inclusion of 90-6-331 terminates June 30, 2027; pursuant to sec. 10, Ch. 374, L. 2017, the inclusion of 76-17-103 terminates June 30, 2027; pursuant to secs. 11, 12, and 14, Ch. 343, L. 2019, the inclusion of 15-35-108 terminates June 30, 2027; pursuant to sec. 1, Ch. 408, L. 2019, the inclusion of 17-7-215 terminates June 30, 2029; pursuant to secs. 1, 2, 3, Ch. 139, L. 2021, the inclusion of 53-9-113 terminates June 30, 2027; pursuant to sec. 8, Ch. 200, L. 2021, the inclusion of 10-4-310 terminates July 1, 2031; pursuant to secs. 3, 4, Ch. 404, L. 2021, the inclusion of 30-10-1004 terminates June 30, 2027; pursuant to sec. 5, Ch. 548, L. 2021, the inclusion of 50-1-115 terminates June 30, 2025; pursuant to secs. 5 and 12, Ch. 563, L. 2021, the inclusion of 22-3-1004 is effective July 1, 2027; pursuant to sec. 1, Ch. 20, L. 2023, sec. 2, Ch. 20, L. 2023, and sec. 3, Ch. 20, L. 2023, the inclusion of 81-1-112, 81-1-113, and 81-7-106 terminates June 30, 2029; pursuant to sec. 9, Ch. 44, L. 2023, the inclusion of 15-1-142 terminates December 31, 2025; pursuant to sec. 10, Ch. 47, L. 2023, the inclusion of 15-1-2302 terminates June 30, 2025; pursuant to sec. 2, Ch. 374, L. 2023, the inclusion of 10-3-802 terminates June 30, 2031; pursuant to sec. 12, Ch. 558, L. 2023, the inclusion of 20-9-250 terminates December 31, 2029; pursuant to sec. 4, Ch. 621, L. 2023, the inclusion of 22-1-327 terminates July 1, 2029; pursuant to sec. 24, Ch. 722, L. 2023, the inclusion of 17-7-133 terminates June 30, 2027; pursuant to sec. 10, Ch. 758, L. 2023, the inclusion of 44-4-1506 terminates June 30, 2027; and pursuant to sec. 10, Ch. 764, L. 2023, the inclusion of 15-1-143

terminates December 31, 2025.)"

Section 16. Direction to department of revenue. The legislature directs the department of revenue to delay collection of the assessment fee provided for in [section 2] until the department of public health and human services notifies the department of revenue that the centers for medicare and medicaid services has approved the payments provided for in [section 14].

Section 17. Codification instruction. (1) [Sections 1 through 13] are intended to be codified as a new chapter in Title 15, and the provisions of Title 15 apply to [sections 1 through 13].

(2) [Section 14] is intended to be codified as an integral part of Title 53, chapter 6, part 1, and the provisions of Title 53, chapter 6, part 1, apply to [section 14].

Section 18. Appropriations. (1) For the biennium beginning July 1, 2025, there is appropriated \$637,828 from the general fund to the department of revenue for start-up and operating costs to implement [this act].

(2) For the fiscal year beginning July 1, 2025, there is appropriated \$131,000 from the general fund to the department of revenue for personal services to implement [this act].

(3) For the fiscal year beginning July 1, 2026, there is appropriated \$131,000 from the general fund to the department of revenue for personal services to implement [this act].

(4) The legislature intends that the appropriations for personal services in this section be considered part of the ongoing base for the next legislative session to be paid from the ambulance medicaid reimbursement account established in [section 14].

Section 19. Contingent effective date. [This act] is effective on approval by the United States department of health and human services of all waivers and approvals necessary to implement the assessment fee and supplemental payments as provided in [sections 1 through 15]. The department of public health and human services shall notify the code commissioner within 15 days of the occurrence of the contingency.

Section 20. Contingent voidness. (1) [Sections 1 through 15] are void on the date that federal law or policy is amended so that the assessment fee collected pursuant to [sections 1 through 15] may not be considered as the state's share in claiming federal financial participation under the medicaid program. The department of public health and human services shall submit certification of the change in federal law or policy to the code commissioner within 15 days of the occurrence of the contingency.

(2) If [sections 1 through 15] are rendered void under the provisions of this section, all fees received or collected by the department of revenue prior to the date on which the act becomes void must be deposited in accordance with [section 2], and a person or party may not receive a refund of any fees received or collected by the department prior to the date on which [sections 1 through 15] become void.

(3) If the United States department of health and human services fails to approve the ambulance provider supplemental payments, [sections 1 through 15] are void. The department of public health and human services shall notify the code commissioner within 15 days of the occurrence of the contingency.

Section 21. Termination. [This act] terminates June 30, 2033.

- END -

I hereby certify that the within bill,
HB 56, originated in the House.

Chief Clerk of the House

Speaker of the House

Signed this _____ day
of _____, 2025.

President of the Senate

Signed this _____ day
of _____, 2025.

HOUSE BILL NO. 56

INTRODUCED BY E. BUTTREY

BY REQUEST OF THE ECONOMIC AFFAIRS INTERIM COMMITTEE

AN ACT ESTABLISHING AN AMBULANCE PROVIDER ASSESSMENT FEE; ESTABLISHING PROCEDURES FOR COLLECTING AND DISTRIBUTING THE ASSESSMENT FEE; ALLOWING AUDITING OF AMBULANCE PROVIDER REPORTS AND PAYMENTS; ALLOWING FOR PENALTIES AND INTEREST; REQUIRING REVENUES GENERATED BY THE ASSESSMENT FEE TO BE USED FOR SUPPLEMENTING AMBULANCE PROVIDER MEDICAID PAYMENTS; PROVIDING DEFINITIONS; PROVIDING RULEMAKING AUTHORITY; PROVIDING A STATUTORY APPROPRIATION; PROVIDING APPROPRIATIONS FOR THE DEPARTMENT OF REVENUE TO IMPLEMENT AND ADMINISTER THE COLLECTION OF THE ASSESSMENT FEE; PROVIDING FOR REIMBURSEMENT TO THE GENERAL FUND FROM THE STATE SPECIAL REVENUE ACCOUNT; AMENDING SECTION 17-7-502, MCA; PROVIDING FOR CONTINGENT VOIDNESS; AND PROVIDING A CONTINGENT EFFECTIVE DATE AND A TERMINATION DATE."