

House passes tax break for prepaid limited mental health plans

Christine Jordan Sexton, 04/20/2011 - 05:26 PM

Medicaid prepaid limited health plans that provide mental health services are getting a tax break under a bill passed by the Florida House on Wednesday.

HB 467 was amended before it cleared the chamber by a unanimous vote.

The bill makes clear that the prepaid limited health plans are exempt from paying a 1.75 percent tax on their insurance premiums. The initial bill would have applied retroactively to 1998 and would have protected mental health providers who had not paid the assessment from being subject to the assessment.

That was an issue for some providers, such as **Lakeview Center**, which has paid nearly \$600,000 in assessments, according to **Gary Bembry**, president and chief executive officer of the prepaid limited health plan, which is owned by **Baptist Health Care** in Pensacola.

As amended, the bill applies only to future payments. Moreover the amendment made clear that the prospective nature of the bill couldn't be used to avoid paying back taxes nor could it be used as a basis of a denial of or a right to a refund.

The companion measure **SB 472**, is slated to be heard in the **Senate Budget Committee** next Monday. The Senate measure is sponsored by **Sen. Greg Evers**.

According to the **Agency for Health Care Administration** website, the state contracts with four Medicaid prepaid mental health plans: **Magellan**, **Access Behavioral Health** (which operates as Lakeview), **North Florida Behavioral Health Partners** and **Value Options**.

Bembry said he was pleased with the amended bill, saying that sponsor **Rep. Ben Albritton**, R-Bartow, "went a long way toward moving this issue forward."

According to a staff analysis, the bill has a negative \$1.6 million recurring impact. The analysis notes, though, that the recurring impact of the bill is "neutral" because the loss of money will be offset by "like amounts of reductions in Medicaid reimbursements."

The bill provides an effective date of July 1, 2011.