



NEW MEXICO MEDICAL SOCIETY

William Ritchie MD, NMMS President 2016-2017



YOUR VOICE FOR MEDICINE 2017 Legislature - GRT Data Request & Week 6 Update

[Week 6 of the NMMS legislative report](#) is available to download and review.

HB 202 - which amends Gross Receipts Tax collections, deductions, and computations - particularly on health care services - was passed by the House last night on a 37-32 vote along party lines. It has been referred to Senate Corporations & Transportation and to Senate Finance.

SB 202 will be the funding bill for the general appropriation act and will repeal the Managed Care and Medicare tax deduction for all health care providers. The bill allows 60% deduction and then apply your local GRT rate to the remaining 40% to arrive at tax owed.

NMMS asks for your help. Please run the numbers in your practice and let us know how the new formula will affect your bottom line...will it help, hurt, or not impact you? We need data and examples to give to legislators before this bill gets further along in the process. If there are amendments to be made, opposition expressed, or support given, data from members is required. All practice information will be redacted so data won't be tied back to your office but with such a large and politically charged change to the tax structure of the state, we need more than just opinions - real life examples will tell the story.

There are 5 very general examples below of how these bills would alter medical practice tax payments. **It will be important for your practice to run numbers based on the composition of payment sources in your office.**

Example 1
PC or Physician Revenue Stream
Medicaid \$50

Medicare \$0
Insurance \$20
Managed Care \$20
Co-pays/deductible/FFS \$10

Total \$100

Current Law:

Taxable receipts: $\$50 + \$10 = \$60$
Tax (assuming 7% rate): $\$60 \times 7\% = \4.20

HB 202:

Taxable receipts: $\$100 \times 40\% = \40
Tax (assuming 7% rate): $\$40 \times 7\% = \2.80

Example 2

PC or Physician Revenue Stream (moderate Medicaid)

Medicare \$30
Medicaid \$40
Insurance \$20
Managed Care \$10
Co-pays/deductibles/FFS \$1
Total \$101

Current Law:

Taxable receipts: $\$40 + \$1 = \$41$
Tax (assuming 7% rate): $\$41 \times 7\% = \2.87

HB 202:

Taxable revenue: $\$101 \times 40\% = \40.40
Tax (assuming 7% rate): $\$40.40 \times 7\% = \2.828

Example 3

PC or Physician Revenue Stream (light Medicaid)

Medicaid \$20
Medicare \$50
Insurance \$20
Managed Care \$10
Co-pays/deductible/FFS \$1

Total \$101

Current Law:

Taxable receipts: $\$20 + 1 = \21
Tax (assuming 7% rate): $\$21 \times 7\% = \1.47

HB 202:

Taxable receipts: $\$101 \times 40\% = \40.40
Tax (assuming 7% rate): $\$40.40 \times 7\% = \2.828

Example 4

PC or Physician Revenue Stream (heavy Medicaid)

Medicaid \$80
Medicare \$10
Insurance \$5
Managed Care \$5
Co-pays/deductible/FFS \$1

Total \$101

Current Law:

Taxable receipts: $\$80 + 1 = \81
Tax (assuming 7% rate): $\$81 \times 7\% = \5.67

HB 202:

Taxable receipts: $\$101 \times 40\% = \40.40
Tax (assuming 7% rate): $\$40.40 \times 7\% = \2.828

Example 5

PC or Physician Revenue Stream (no Medicaid/heavy Medicare/Insurance/Managed Care)

Medicaid \$0
Medicare \$50
Insurance \$20
Managed Care \$20
Co-pays/deductible/FFS \$11

Total \$101

Current Law:

Taxable receipts: \$11
Tax (assuming 7% rate): $11 \times 7\% = \$0.77$

HB 202:

Taxable receipts: $101 \times 40\% = \$40.40$
Tax (assuming 7% rate): $40.40 \times 7\% = \$2.828$

Again, please run your numbers and send them back to NMMS by replying to this email or directly to forwarding directly to rmarshall@nmms.org.

In other areas, **SB 145 - The Scope of Practice Act** - was passed by Senate Rules yesterday and now moves to Senate Judiciary. As before, please send letters to Senators using the pre-populated letter at [QualityHealthForNewMexico](#) in **SUPPORT of SB 145.**

SB 82 - Non-Compete Venue Fix - was passed by the Senate 40-0 and now goes to the House.

HB 364 - which limits examining, prescribing and dispensing power for contact lenses and spectacles - was amended by House Health and Human Services and will be heard next in House Judiciary.

If you prefer to call legislators, dial 505-986- and the 4 digits associated with each [Senator Phone List](#) or [Representative Phone List](#).

If you have any questions, please contact me directly, Executive Director Randy Marshall at rmarshall@nmms.org, your Councilor as listed below by component society, or reply to this email.

With best regards always,

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