

Stricken language would be deleted from and underlined language would be added to present law.  
Act 1436 of the Regular Session

State of Arkansas  
89th General Assembly  
Regular Session, 2013

As Engrossed: S4/16/13 H4/18/13

# A Bill

SENATE BILL 1159

By: Senator D. Sanders

## For An Act To Be Entitled

AN ACT TO REQUIRE PERSONS AND ENTITIES TO COMPLY WITH  
ARKANSAS TAX LAW IN ORDER TO QUALIFY AS MEDICAID  
PROVIDERS.

### Subtitle

TO REQUIRE PERSONS AND ENTITIES TO COMPLY  
WITH ARKANSAS TAX LAW IN ORDER TO QUALIFY  
AS MEDICAID PROVIDERS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

*SECTION 1. Arkansas Code Title 20, Chapter 77, Subchapter 1, is amended to add an additional section to read as follows:*

*20-77-125. Medicaid Provider Tax Returns.*

*(a) As used in this section, "Affected Medicaid Entity" means an individual or entity that:*

*(1) Provides and is directly reimbursed by Medicaid for services in the Arkansas Medicaid Program;*

*(2) Is required to submit an annual financial audit to the Department of Human Services; and*

*(3) Is required to file a state income tax return, state withholding tax return, pass-through entity withholding tax return, or a composite pass-through entity tax return or pay any tax due for the previous calendar year.*

*(b)(1) On or before December 1 of each year, the Department of Human Services shall provide the Department of Finance and Administration with a list of the tax identification number of each person and entity enrolled to*



furnish Medicaid services as an Affected Medicaid Entity.

(2) The Department of Finance and Administration shall:

(A) Verify whether each person and entity enrolled to furnish Medicaid services identified to it under subsection (b)(1) of this section filed and paid any state income tax liability owed for the tax year for which the return was due; and

(B) Notify the Department of Human Services if any Affected Medicaid Provider failed to file any state income tax return, state withholding tax return, pass-through entity withholding tax return or a composite pass-through entity tax return or pay any tax due for the previous calendar year.

(3) Upon receiving notice from the Department of Finance and Administration under subsection (b)(2) of this section, the Department of Human Services shall notify the Affected Medicaid Provider that the Department of Human Services will terminate the Affected Medicaid Provider's enrollment in the Medicaid program unless the Affected Medicaid Provider shows good cause why the Affected Medicaid Provider's Medicaid enrollment should continue.

(c) The Department of Human Services and the Department of Finance and Administration may adopt rules as needed to implement this section.

/s/D. Sanders

**APPROVED: 04/22/2013**