

Graham-Cassidy Cuts Provider Tax Program in Kentucky

The Graham-Cassidy legislation would have a significant impact on the way Kentucky finances its Medicaid program by slashing provider taxes to 4.0%. Medicaid is an important payor for long term services and supports for seniors and people with disabilities across the nation, helping them accomplish basic daily activities like bathing, getting dressed, fixing meals, and walking. There are few alternatives to long term care financing and Medicaid is the only viable option for many people due to challenges with private financing options.

It is important to note the cuts shown below are only based on the provider tax reduction included in the bill. Other changes to Medicaid financing that are included in the bill will also have a significant impact on nursing centers.

Kentucky Profile

Total Nursing Centers: 289

Total Employees: 31,371

Total Patients Served: 63,000

Percent of care covered by Medicaid: 66.3%

State Provider Tax Rate: 4.42%

One-Year Impact of Provider Tax Cut (federal only): \$12.08 million

Average Annual Impact of Cut per Building (federal only): \$41,361