

SHB 2679 - H AMD 1509

By Representative Irwin

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** A new section is added to chapter 48.14
4 RCW to read as follows:

5 (1) In addition to other taxes imposed under this chapter, each
6 health carrier and managed care organization must pay a tax on or
7 before the first day of March of each year to the state treasurer
8 through the office of the insurance commissioner as follows:

9 (a) For taxes due in 2021, the tax must be equal to the total
10 amount of all premiums for health benefit plans, dental only plans,
11 and vision only plans, and prepayments for health care services
12 provided by managed care organizations collected or received by
13 health carriers and managed care organizations during the preceding
14 calendar year 2020, multiplied by the rate of two and two-tenths
15 percent. For tax purposes, the reporting of premiums and prepayments
16 must be on a written basis or on a paid-for basis consistent with
17 the basis required by the annual statement.

18 (b) Beginning with taxes due in 2022 and thereafter, the tax
19 must be equal to the total amount of all premiums for health benefit
20 plans, dental only plans, and vision only plans, and prepayments for
21 health care services provided by managed care organizations
22 collected or received by health carriers and managed care
23 organizations during the preceding calendar year, multiplied by the
24 rate of one and five-tenths percent. For tax purposes, the reporting
25 of premiums and prepayments must be on a written basis or on a
26 paid-for basis consistent with the basis required by the annual
27 statement.

1 (2) Moneys collected pursuant to this section must be deposited
2 into the health carrier community benefit fund created in section 2
3 of this act.

4 (3) The definitions in this subsection apply throughout this
5 section unless the context clearly requires otherwise.

6 (a) "Health carrier" has the same meaning as in RCW 48.43.005.

7 (b) "Health plan" has the same meaning as in RCW 48.43.005.

8 (c) "Managed care organization" means an organization, having a
9 certificate of authority or certificate of registration from the
10 office of the insurance commissioner, that contracts with the health
11 care authority under a comprehensive risk contract to provide
12 prepaid health care services to enrollees under the health care
13 authority's managed care programs under chapter 74.09 RCW.

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15 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.70
16 RCW to read as follows:

17 (1) The health carrier community benefit fund is created in the
18 state treasury. Moneys in the account may be spent only after
19 appropriation. All receipts from the tax collected under section 1
20 of this act must be deposited into the account.

21 (3) Expenditures from the health carrier community benefit fund
22 must be used exclusively for:

23 (a) Subsidies for individuals purchasing individual market
24 insurance coverage who are not eligible for federal insurance
25 subsidies; and

26 (b) Foundational public health services pursuant to RCW
27 43.70.515."

28

29 Correct the title.

EFFECT: Removes the tax on depreciated capital and the tax
on a nonprofit health carrier's excessive surplus. Imposes an
additional premium tax on health carriers and managed care
organizations and deposits the proceeds in the health carrier
community benefit fund. Removes "nonprofit" from the new account
name.

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