

---

**HOUSE BILL 2821**

---

**State of Washington**

**66th Legislature**

**2020 Regular Session**

**By** Representatives Cody, Robinson, Macri, and Pollet

Read first time 01/23/20. Referred to Committee on Finance.

1 AN ACT Relating to establishing and funding the health insurance  
2 affordability account; adding a new section to chapter 48.14 RCW; and  
3 adding a new section to chapter 41.05 RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 48.14  
6 RCW to read as follows:

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

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

20 (b) Beginning with taxes due in 2022 and thereafter, the tax must  
21 be equal to the total amount of all premiums for health benefit

1 plans, dental only plans, and vision only plans, and prepayments for  
2 health care services provided by managed care organizations collected  
3 or received by health carriers and managed care organizations during  
4 the preceding calendar year, multiplied by the rate of one and five-  
5 tenths percent. For tax purposes, the reporting of premiums and  
6 prepayments must be on a written basis or on a paid-for basis  
7 consistent with the basis required by the annual statement.

8 (2) Moneys collected pursuant to this section must be deposited  
9 into the health insurance affordability account created in section 2  
10 of this act.

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

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

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

15 (c) "Managed care organization" means an organization, having a  
16 certificate of authority or certificate of registration from the  
17 office of the insurance commissioner, that contracts with the health  
18 care authority under a comprehensive risk contract to provide prepaid  
19 health care services to enrollees under the health care authority's  
20 managed care programs under chapter 74.09 RCW

21 NEW SECTION. **Sec. 2.** A new section is added to chapter 41.05  
22 RCW to read as follows:

23 The health insurance affordability account is created in the  
24 state treasury. All receipts from the tax collected under section 1  
25 of this act must be deposited into the account. Moneys in the account  
26 may be spent only after appropriation. Expenditures from the account  
27 may be used only for low-income health insurance programs.

--- END ---