

Vermont Legislative Joint Fiscal Office

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ISSUE BRIEF

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Health Care Claims Tax

The *Health Care Claims Tax* (formerly known as the *health care claims assessment*), is a **0.999%** tax on all health insurance claims paid by health insurers for its Vermont members for the previous fiscal year ending June 30.

- This tax is paid to the Vermont Department of Taxes in one annual installment due by January 1.
- **0.8%** of claims are deposited into the State Health Care Resource Fund (SHCRF)
 - Act 45 of 2011 (Misc. Tax Bill) - codified at 32 V.S.A. § 10402
- **0.199%** of claims are deposited into the Health IT-Fund.
 - Act 192 of 2008 (Appropriations Big Bill) - codified at 32 V.S.A. § 10402
- Act 73 of 2013 moved the administration and collection of this tax from the Department of Vermont Health Access (DVHA) to the Department of Taxes. The tax was also reconstituted.
 - The *Health Care Claims assessment* was repealed effective July 1, 2013
 - The *Health Care Claims Tax* took effect on July 1, 2013
- Act 73 of 2013 sunsets the 0.199% for the Health IT-Fund on July 1, 2017. After that date the claims tax rate will be 0.8% of claims, which will continue to be deposited into the SHCRF.
- Act 73 of 2013 also extended the claims tax to include dental claims.

Administration of tax

- Notices are sent to companies in mid-November.
- FORM HC-607 was initially developed for insurance companies to report and pay the tax. As of July 1, 2015, insurance companies are now required to report and pay through the Tax Department's website: myVTax.vermont.gov
- The Tax Department previously received a list from the Green Mountain Care Board of all companies subject to the tax (using VHCURES data).¹ However as a result of the 2016 U.S. Supreme Court decision in *Gobeille v. Liberty Mutual*, self-funded plans cannot be required to report data to state all-payer claims databases like VHCURES, so the list may no longer be entirely accurate.

Revenues

- The following are the revenues (and estimated revenues) from the 0.999% of claims as they are deposited into their respective funds.

¹ VHCURES = Vermont Healthcare Claims Uniform Reporting and Evaluation System. VHCURES is an all-payer claims database.

Health Claims Tax - Revenue History

Year	State Health Care Resources Fund 0.8%	HIT Fund 0.199%
SFY 09	-----	\$1,725,506
SFY 10	-----	\$2,462,828
SFY 11	-----	\$2,877,847
SFY 12	\$12,603,108	\$3,467,956
SFY 13	\$11,470,283	\$3,122,199
SFY 14	\$13,073,292	\$3,273,052
SFY 15	\$13,978,648	\$3,479,091
SFY 16	\$13,767,674	\$3,427,185
SFY 17 est.	\$13,905,351	\$3,474,600
SFY 18 est.	\$14,044,404	\$3,509,345

} = Est. Revenues

SFY 2013 Health Care Claims Assessment (0.8%) – by payer

INSURER	REVENUES	INSURER	REVENUES
BlueCross & BlueShield of Vermont Total	\$3,679,916.67	Allegiance Benefit Plan Management, Inc. Total	\$12,894.60
Conneticut General Life Ins. Co Total	\$1,576,985.84	Rx Solutions Inc	\$11,986.58
The Vermont Health Plan Total	\$1,158,147.00	Combined Insurance Total	\$11,559.27
Comprehensive Benefits Admin CBA Total	\$811,342.72	MVP Health Ins Co New Hampshire Total	\$11,416.00
WellPoint NextRx (Compr. Major Medical)	\$626,209.85	USAbLe Mutual Insurance Company Total	\$8,859.18
MVP Health Ins Co NY Total	\$588,171.89	Cigna Behavioral Health Inc	\$7,979.42
United Healthcare Insurance Company Total	\$456,243.04	UMR, Inc. Total	\$7,736.64
Delta Dental Plan of Vermont Inc Total	\$344,117.94	UniCare Life & Health Insurance Co Total	\$6,837.53
Rx Solutions, Inc Total	\$306,589.22	Tufts Benefit Administrators, Inc Total	\$6,617.64
Aetna Life Insurance Co - VT Members	\$268,236.00	BlueCross BlueShield of Tennessee Total	\$6,400.76
MVP Health Plan NY	\$244,879.60	Harvard Pilgrim Health Care of New England	\$6,096.37
CVS CareMark Total	\$237,377.49	United Behavioral Health Total	\$5,760.88
Medco Health Solutions Total	\$153,048.48	USAA Life Insurance Company Total	\$5,385.71
BlueCross & BlueShield of Rhode Island Total	\$149,310.83	Standard Insurance Company Total	\$4,689.00
Express Scripts Total	\$126,896.17	Ameritas Life Insurance Corp. Total	\$4,087.00
Alta Health & Life Insurance Company Total	\$90,813.77	Principal Life Insurance Company Total	\$3,046.84
Health Care Service Corporation Total	\$70,441.35	MedImpact Healthcare Systems, Inc Total	\$2,996.84
Lincoln National Life Insurance Company Total	\$68,433.32	Reliance Standard Life Insurance Company Total	\$2,985.73
Blue Cross Blue Shield of Massachusetts	\$50,173.99	Guarentee Trust Life Insurance Co. Total	\$2,860.41
Bankers Life and Casualty Company Total	\$50,053.19	Dentegra Insurance Company Total	\$2,860.21
MVP Health Plan New York Total	\$47,894.49	Prime Therapeutics	\$2,721.50
Colonial Penn Life Insurance Company Total	\$42,072.67	Delta Dental Plan of Michigan Inc Total	\$2,482.00
Washington National Insurance Company Total	\$27,195.56	Envision Pharmaceutical Services, Inc Total	\$1,557.67
Harvard Pilgrim Insurance Company Total	\$26,578.53	Omega Administrators Inc Total	\$1,402.52
Health Plans, Inc Total	\$25,119.10	Tufts Benefit Administrators Inc.	\$848.08
BlueCross BlueShield of Alabama Total	\$24,786.96	Highmark Inc.	\$689.23
Excellus Health Plan Inc. Total	\$23,099.05	Golden Rule Ins. Co Total	\$172.92
Harvard Pilgrim Health Care	\$20,805.36	MVP Select Care, Inc Total	\$6.01
Mutual of Omaha Ins Co Total	\$20,528.75	UMR-ONALASKA Total	-\$248.00
QCC Insurance Company Total	\$19,307.20	Great West Life Ins. Co Total	-\$6,571.14
Nationwide Life Insurance Company Total	\$18,682.22	American Progressive Life & Health Insur Total	-\$11,866.27
Blue Cross Blue Shield of Mass HMO	\$13,342.22	Coventry Management Services, Inc Total	-\$33,913.68
Wellmark, Inc Total	\$13,145.58		
TOTAL	\$11,470,283.50		

Source: Data provided by the Department of Vermont Health Access (DVHA). As of FY'15 the Tax Department collects this tax and does not make this list public.

Note: The numbers above do not include the 0.199% for the Health Information Technology Fund.