

# Vermont Legislative Joint Fiscal Office

One Baldwin Street • Montpelier, VT 05633-5701 • (802) 828-2295 • Fax: (802) 828-2483

## ISSUE BRIEF

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Prepared by: Nolan Langweil

### 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.

- 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 to the Department of Taxes.
  - The *Health Care Claims assessment* was repealed effective July 1, 2013
  - The *Health Care Claims Tax* became effective 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.

### How administered

- FORM HC-1 was developed for taxpayers to report and pay the tax.
- The Tax Department also receives a list of the companies liable for the tax from the Green Mountain Care Board (using VHCURES data).<sup>1</sup>
- Notices are sent to companies in mid-November.
- DVHA used to post the list on the web, but the Tax Department cannot for confidentiality reasons.
  - Attached is a list from DVHA for SFY'13. Such lists are no longer available.

### Revenues

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

#### Health Claims Assessment / Tax

*Historical*

Year	State Health Care Resources Fund	HIT Fund
	0.8%	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	\$2,900,000
SFY 14	\$13,073,292	\$3,200,000
SFY 15 est.	\$14,000,000	\$3,500,000
SFY 16 est.	\$14,280,000	\$3,500,000

} = Est. Revenues

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

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

<b>INSURER</b>	<b>REVENUES</b>	<b>INSURER</b>	<b>REVENUES</b>
BlueCross & BlueShield of Vermont Total	\$3,679,916.67	Allegiance Benefit Plan Management, Inc. Total	\$12,894.60
Connecticut 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	USAbile 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 Massachusettes	\$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		
<b>TOTAL</b>	<b>\$11,470,283.50</b>		

Source: Data provided by the Department of Vermont Health Access (DVHA)

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

NOTE: The FORM HC-1 can be found on the Vermont Department of Tax website:

<http://www.state.vt.us/tax/pdf.word.excel/forms/misc/HC-1.pdf>