

Vermont Legislative Joint Fiscal Office

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Health Care Claims Tax Summary

Updated 1/19/18

Background

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.

Collection and Administration

- 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 - The *Health Care Claims assessment* was repealed effective July 1, 2013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 also extended the claims tax to include dental claims.

Health-IT Fund Sunset

- Act 73 of 2013 sunset the 0.199% for the Health IT-Fund on July 1, 2017.
- Act 73 of 2017 postponed the sunset one year, until July 1, 2018.
- Act 73 of 2017 also required the Agency of Human Services (AHS) to conduct a comprehensive review of the Health-IT Fund to review the need for the fund, how past payments have promoted the advancement of HIT adoption and utilization, review Vermont Information Technology Leaders (VITL), and recommend whether to continue the Health-IT Fund.¹
- The sunset only applies to 0.199% of claims that go to the Health IT-Fund. 0.8% of claims will continue to be collected and deposited into the SHCRF.


¹ The Health Information Technology Report per Act 73 of 2017 can be found at:
<https://legislature.vermont.gov/assets/Legislative-Reports/VT-Evaluation-of-HIT-Activities-FinalReport-Secretary-Signature.pdf>

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 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	\$14,055,360	\$3,529,857
SFY 18 est.	\$14,100,000	\$3,450,000
SFY 19 est.	\$14,200,000	-----

 = Est. Revenues