

2016 Second Extraordinary Session

HOUSE BILL NO. 35

BY REPRESENTATIVE ANDERS

1 AN ACT

2 To amend and reenact R.S. 22:842 and to repeal R.S. 22:270, relative to the annual tax on  
3 health maintenance organizations; to establish the rate of the annual minimum tax;  
4 to provide for applicability; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 22:842 is hereby amended and reenacted to read as follows:

7 §842. Life, accident, health, or service insurance; health maintenance organizations;  
8 Medicaid-enrolled managed care organizations

9 A.(1) Upon the business of issuing life, accident, health, or service insurance  
10 policies, or other forms of contracts or obligations covering such risks, or issuing  
11 endowment policies on contracts, or other similar forms of contract obligations, the  
12 ~~minimum~~ annual tax shall be one hundred forty dollars when the gross annual  
13 premiums are seven thousand dollars or less. When the gross annual premiums are  
14 more than seven thousand dollars, the amount of tax payable shall be increased to  
15 two hundred twenty-five dollars for each additional ten thousand dollars, or fraction  
16 thereof, of gross annual premiums. The business of issuing each of the kinds of  
17 insurance or contracts mentioned in this Section may be combined under one tax, and  
18 the amount of the tax shall be based on the combined gross annual premiums of all  
19 such businesses.

20 (2) The provisions of this Subsection shall not apply to health maintenance  
21 organizations.

22 B.(1) Every health maintenance organization authorized and certified to  
23 engage in the business of issuing contracts or other evidences or similar forms of  
24 coverage to enrollees for healthcare services or prepaid medical services in this state,  
25 including Louisiana partnerships authorized under R.S. 22:244(B), shall pay an

1           annual tax on the gross amount of its receipts from contracts and other evidences of  
2           coverage at the rate of five hundred fifty dollars for every ten thousand dollars of  
3           gross annual premiums collected.

4                   (2) No provision of this Subsection shall be construed as relieving any  
5           insurer from paying to the commissioner the fees otherwise required for qualifying  
6           to do business, or for the renewal thereof.

7                   (3) The commissioner of insurance shall comply with the provisions of R.S.  
8           22:795 regarding the maintenance of books and records and the disposition of  
9           collections.

10                   C. Taxes collected under the provision of this Section from ~~health care~~  
11           healthcare premium assessments paid by Medicaid-enrolled managed care  
12           organizations, after first having been credited to the Bond Security and Redemption  
13           Fund as required by Article VII, Section 9(B) of the Constitution of Louisiana, shall  
14           be deposited into the Louisiana Medical Assistance Trust Fund.

15           Section 2. R.S. 22:270 is hereby repealed in its entirety.

16           Section 3. The provisions of this Act shall be applicable to all taxable periods  
17           beginning on and after January 1, 2016.

18           Section 4. This Act shall become effective upon signature by the governor or, if not  
19           signed by the governor, upon expiration of the time for bills to become law without signature  
20           by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
21           vetoed by the governor and subsequently approved by the legislature, this Act shall become  
22           effective on the day following such approval.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_