

ONE HUNDRED FIRST LEGISLATURE - SECOND SESSION - 2010
COMMITTEE STATEMENT (CORRECTED)
LB698

Hearing Date: Wednesday January 20, 2010
Committee On: Revenue
Introducer: Louden
One Liner: Eliminate certain insurance premium tax provisions

Roll Call Vote - Final Committee Action:
Advanced to General File

Vote Results:

Aye:	7	Senators Cornett, Dierks, Hadley, Louden, Pirsch, Utter, White
Nay:		
Absent:	1	Senator Adams
Present Not Voting:		

Proponents:

Senator LeRoy Louden
Vivianne Chaumont

Representing:

Introducer
Department of Health & Human Services

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

LB 698 would repeal certain statutory provisions that are dependent upon approval of the Center for Medicare and Medicaid to impose an insurance premium tax on capitation payments made in accordance with the Medical Assistance Act. According to the Introducer's Statement of Intent, the Center for Medicare and Medicaid has determined that the insurance premium tax on capitation payments is impermissible.

Section 1: Would amend Neb. Rev. Stat. Sec. 44-32,180(2) and would strike Neb. Rev. Stat. Sec. 44-32,180(3).

If the proposed amendment to Neb. Rev. Stat. Sec. 44-32,180(2) becomes law, that section would provide that any capitation payment made in accordance with the Medical Assistance Act must be excluded from computation of any tax obligation imposed by Neb. Rev. Stat. Sec. 44-32,180(1). Neb. Rev. Stat. Sec. 44-32,180(1) imposes an insurance premium tax on any health maintenance organization that is subject to the Health Maintenance Organization Act. Neb. Rev. Stat. Sec. 44-32,180(3) would be stricken. It currently provides that any capitation payment made in accordance with the Medical Assistance Act must be included in the computation of any tax imposes an insurance premium tax on any health maintenance organization that is subject to the Health Maintenance Organization Act.

Section 2: Would amend Neb. Rev. Stat. Sec. 44-4726(2) and would strike Neb. Rev. Stat. Sec. 44-4726(3).

If the proposed amendment to Neb. Rev. Stat. Sec. 44-4726(2) becomes law, that section would provide that any capitation payment made in accordance with the Medical Assistance Act must be excluded from computation of any tax obligation imposed by Neb. Rev. Stat. Sec. 44-32,180(1).

Neb. Rev. Stat. Sec. 44-4726 would be stricken. It currently provides that any capitation payment made in accordance with the Medical Assistance Act must be included in the computation of any tax imposed on each prepaid limited health service organization.

Section 3: Would amend Neb. Rev. Stat. Sec. 77-908 by striking language which provides that capitation payments made in accordance with the Medical Assistance Act are subject to an insurance premium tax at a rate of five percent rather than the one-percent premium tax rate that applies to other insurance companies transacting business in Nebraska.

Section 4: Would amend Neb. Rev. Stat. Sec. 77-912 by striking subparagraph (4) which provides that all insurance premium taxes paid pursuant to Neb. Rev. Stat. Sec. 77-908 for capitation payments made in accordance with the Medical Assistance Act must be remitted to the Health and Human Services Cash Fund.

Section 5: Would reenact all statute sections that would be amended by the bill.

Section 6: Would enact the emergency clause.

Abbie Cornett, Chairperson