

**135.120 Taxation of organized delivery systems.**

Payments received by an organized delivery system licensed by the director for health care services, insurance, indemnity, or other benefits to which an enrollee is entitled through an organized delivery system authorized under 1993 Iowa Acts, ch. 158, and payments by an organized delivery system licensed by the director to providers for health care services, to insurers, or corporations authorized under [chapter 514](#) for insurance, indemnity, or other service benefits authorized under 1993 Iowa Acts, ch. 158, are not premiums received and taxable under the provisions of [section 432.1](#) for the first five years of the existence of the organized delivery system, its successors or assigns, or the first five years after July 1, 1996, whichever is the later. After the first five years, the payments received shall be considered premiums received and shall be taxable under the provisions of [section 432.1, subsection 1](#). However, payments made by the United States secretary of health and human services under contracts issued under section 1833 or 1876 of the federal Social Security Act, section 4015 of the federal Omnibus Budget Reconciliation Act of 1987, or [chapter 249A](#) for enrolled members shall not be considered premiums received and shall not be taxable under [section 432.1](#).

[96 Acts, ch 1146, §1; 2002 Acts, ch 1158, §1](#)