

**514B.31 Taxation.**

1. For the first five years of the existence of a health maintenance organization and the health maintenance organization's successors and assigns, the following shall not be considered premiums received and taxable under [section 432.1](#):

a. Payments received by the health maintenance organization for health care services, insurance, indemnity, or other benefits to which an enrollee is entitled through a health maintenance organization authorized under [this chapter](#).

b. Payments made by the health maintenance organization to providers for health care services, to insurers, or to corporations authorized under [chapter 514](#) for insurance, indemnity, or other service benefits authorized under [this chapter](#).

2. After the first five years of the existence of a health maintenance organization and the health maintenance organization's successors and assigns, the following shall be considered premiums received and taxable under [section 432.1](#):

a. Payments received by the health maintenance organization for health care services, insurance, indemnity, or other benefits to which an enrollee is entitled through a health maintenance organization authorized under [this chapter](#).

b. Payments made by the health maintenance organization to providers for health care services, to insurers, or to corporations authorized under [chapter 514](#) for insurance, indemnity, or other service benefits authorized under [this chapter](#).

3. Notwithstanding [subsections 1 and 2](#), beginning January 1, 2024, and for each subsequent calendar year, the following shall be considered premiums received and taxable under [section 432.1B](#) for a health maintenance organization contracting with the department of health and human services to administer the medical assistance program under [chapter 249A](#):

a. Payments received by the health maintenance organization for health care services, insurance, indemnity, or other benefits to which an enrollee is entitled through a health maintenance organization authorized under [this chapter](#).

b. Payments made by the health maintenance organization to providers for health care services, to insurers, or to corporations authorized under [chapter 514](#) for insurance, indemnity, or other service benefits authorized under [this chapter](#).

4. Payments made to a health maintenance organization by the United States secretary of health and human services under a contract issued under section 1833 or 1876 of the federal Social Security Act, or under section 4015 of the federal Omnibus Budget Reconciliation Act of 1987, shall not be considered premiums received and shall not be taxable under [section 432.1](#) or [432.1B](#). Payments made to a health maintenance organization contracting with the department of health and human services to administer the medical assistance program under [chapter 249A](#) shall not be taxable under [section 432.1](#).

[C75, 77, 79, 81, §514B.31]

90 Acts, ch 1173, §1; 2002 Acts, ch 1158, §8; 2023 Acts, ch 158, §5

Referred to in §432.1B, 514E.1