

**432.1B Health maintenance organization — medical assistance program — premium tax.**

1. Pursuant to [section 514B.31, subsection 3](#), a health maintenance organization contracting with the department of health and human services to administer the medical assistance program under [chapter 249A](#), shall pay as taxes to the director of the department of revenue for deposit in the Medicaid managed care organization premiums fund created in [section 249A.13](#), an amount equal to the applicable percent, as provided in [section 432.1, subsection 2](#), of the premiums received and taxable under [section 514B.31, subsection 3](#).

2. Except as provided in [subsection 3](#), the premium tax shall be paid on or before March 1 of the year following the calendar year for which the tax is due. The commissioner of insurance may suspend or revoke the license of a health maintenance organization subject to the premium tax in [subsection 1](#) that fails to pay the premium tax on or before the due date.

3. *a.* Each health maintenance organization transacting business in this state that is subject to the tax in [subsection 1](#) shall remit on or before June 1, on a prepayment basis, an amount equal to one-half of the health maintenance organization's premium tax liability for the preceding calendar year.

*b.* In addition to the prepayment amount in paragraph "*a*", each health maintenance organization subject to the tax in [subsection 1](#) shall remit on or before August 15, on a prepayment basis, an additional one-half of the health maintenance organization's premium tax liability for the preceding calendar year.

*c.* The sums prepaid by a health maintenance organization under paragraphs "*a*" and "*b*" shall be allowed as credits against the health maintenance organization's premium tax liability for the calendar year during which the payments are made. If a prepayment made under [this subsection](#) exceeds the health maintenance organization's annual premium tax liability, the excess shall be allowed as a credit against the health maintenance organization's subsequent prepayment or tax liabilities under [this section](#). The commissioner of insurance shall authorize the department of revenue to make a cash refund to a health maintenance organization, in lieu of a credit against subsequent prepayment or tax liabilities under [this section](#), if the health maintenance organization demonstrates the inability to recoup the funds paid via a credit. The commissioner of insurance shall adopt rules establishing a health maintenance organization's eligibility for a cash refund, and the process for the department of revenue to make a cash refund to an eligible health maintenance organization from the Medicaid managed care organization premiums fund created in [section 249A.13](#). The commissioner of insurance may suspend or revoke the license of a health maintenance organization that fails to make a prepayment on or before the due date under [this subsection](#).

*d.* [Sections 432.10 and 432.14](#) are applicable to premium taxes due under [this section](#).

[2023 Acts, ch 158, §4; 2025 Acts, ch 135, §51 – 53](#)

Referred to in [§249A.13, 432.1, 514B.31](#)

2025 amendment to subsection 1 applies retroactively to January 1, 2024; 2025 Acts, ch 135, §53

Subsection 1 amended