# STATE OF NEW YORK

476

2019-2020 Regular Sessions

# IN ASSEMBLY

(Prefiled)

January 9, 2019

Introduced by M. of A. PERRY -- read once and referred to the Committee on Ways and Means

AN ACT to amend the tax law and the state finance law, in relation to imposing a tax on health maintenance organizations and creating the medical malpractice relief fund

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. The tax law is amended by adding a new article 33-C to read as follows:

ARTICLE 33-C

TAX ON HEALTH MAINTENANCE ORGANIZATIONS

Section 1580. Definition.

1581. Imposition of tax.

1582. Deposit and disposition of revenue.

§ 1580. Definition. For the purpose of this article, "health maintenance organization" means any person, natural or corporate, or any groups of such persons who enter into an arrangement, agreement or plan or any combination of arrangements or plans which propose to provide or offer, or which do provide or offer, a comprehensive health services plan pursuant to article forty-four of the public health law.

§ 1581. Imposition of tax. There is hereby imposed on any health maintenance organization established pursuant to article forty-four of the public health law and authorized to transact business in this state under a certificate of authority from the superintendent of financial services a tax at the rate of between one half percent and one percent of the reported profits each fiscal year. The commissioner, in conjunction with the superintendent of financial services shall promulgate rules and regulations necessary for the implementation of this section. Nothing in this article modifies or abrogates any provision of the insurance law.

EXPLANATION--Matter in *italics* (underscored) is new; matter in brackets [-] is old law to be omitted.

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**§ 1582. Deposit and disposition of revenue. All taxes, interest and penalties collected or received by the commissioner under this article shall be deposited into the medical malpractice relief fund pursuant to section ninety-seven-ssss of the state finance law.**

§ 2. The state finance law is amended by adding a new section 97-ssss to read as follows:

**§ 97-ssss. Medical malpractice relief fund. 1. There is hereby established in the joint custody of the state comptroller and the commissioner of taxation and finance a special revenue fund to be known as the "medical malpractice relief fund".**

**2. Such fund shall consist of all moneys received from taxes assessed on health maintenance organizations pursuant to article thirty-three-C of the tax law.**

**3. Moneys in the fund shall be kept separately from and shall not be commingled with any other moneys in the custody of the state comptroller.**

**4. Moneys in the account, following appropriation by the legislature, shall be expended by the superintendent of financial services for the purpose of providing relief to health care practitioners by reducing the increasing costs of medical malpractice insurance.**

§ 3. This act shall take effect April 1, 2020. Effective immediately, the addition, amendment and/or repeal of any rule or regulation necessary for the implementation of this act on its effective date are authorized and directed to be made and completed on or before such effective date.