

# FISCAL NOTE

## SB 22 SECOND EXTRAORDINARY SESSION

November 5, 1999

**SUMMARY OF BILL:** Imposes a privilege tax of \$15 per covered individual on companies administering health insurance claims, health maintenance organizations, health insurance companies and employers that adjudicate health insurance claims and are not at risk for medical expenses, (self-insured). The tax is not due during any period that the TennCare program is not in operation.

### ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$60,000 One-Time  
\$6,000 Recurring**

**Increase State Revenues - \$22,500,000**

Assumes that:

1. approximately 1.5 million lives are covered by self-insured health plans included in the bill
2. A one-time cost in the Department of Revenue for automated system changes of \$60,000 and recurring cost of \$6,000 to collect the tax.

### CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director