

Quarterly Worksheet for Health Insurance Claims Assessment (HICA)

IMPORTANT: This worksheet is your file copy and is subject to audit. You must keep this worksheet in your records for a period of four (4) years after the HICA annual return due date. **DO NOT SEND the worksheet to Treasury.**

Name	Account Number (FEIN, ME or TR Number)	Assessment/File Period <input type="checkbox"/> Qtr 1 <input type="checkbox"/> Qtr 2 <input type="checkbox"/> Qtr 3 <input type="checkbox"/> Qtr 4	Return Year
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See line-by-line instructions for further information. Report all amounts in whole dollars.

Organization Type

1. a. Third Party Administrator b. Carrier c. Carrier with a suspension or exemption under MCL 500.3717 as of January 1, 2012.

Health Insurance Claims Assessment

2. Gross paid claims during the current assessment period for dates of service on or after January 1, 2012.... 2.

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Paid Claims and Related Exclusions Not Subject to Assessment

NOTE: For each exclusion listed in lines 3 through 13, enter amounts:

- ONLY TO THE EXTENT INCLUDED IN LINE 2; AND
- ONLY TO THE EXTENT SUCH AMOUNT IS NOT INCLUDED IN ANOTHER LINE IN THIS SECTION. SEE INSTRUCTIONS FOR DETAILS.

3. Allowable recoveries.....	3.				00
4. Claims-related expenses.....	4.				00
5. Certain payments made to a qualifying provider under an incentive compensation agreement.....	5.				00
6. Certain claims paid under certain accident, long-term care, or property and casualty coverage.....	6.				00
7. Claims paid for services rendered to a nonresident of Michigan.....	7.				00
8. Claims paid for services rendered outside of Michigan to a person who is a resident of Michigan.....	8.				00
9. Claims paid for services rendered to a person covered under a health benefit plan for federal employees.....	9.				00
10. Claims paid under certain federal health benefit programs and high-risk pools.....	10.				00
11. Certain health reimbursements to individuals authorized under federal law.....	11.				00
12. Health and medical services costs paid by an individual for cost-sharing requirements.....	12.				00
13. Claims paid in excess of \$1,000,000 per individual, or \$10,000,000 per individual if you checked line 1c	13.				00
14. Total Allowable Exclusions: Add lines 3 through 13.....	14.				00
15. Net Health Insurance Claims Paid Subject to Assessment: Subtract line 14 from line 2.....	15.				00
16. Total Assessment for File Period. See instructions. Calculate below and enter the total of lines 16a, 16b and 16c on line 16d.....					
16a. Claims from line 15 subject to 1% rate _____ x 1% (0.01) = _____	16a.				00
16b. Claims from line 15 subject to 0.75% rate _____ x 0.75% (0.0075) = _____	16b.				00
16c. Claims from line 15 subject to 0.1% rate _____ x 0.1% (0.001) = _____	16c.				00
16d. Add lines 16a, 16b and 16c. Enter the total in box 16d. This is the total assessment amount for the file period.....	16d.				00
17. Underpayment from prior assessment periods.....	17.				00
18. Overpayment from prior assessment periods.....	18.				00
19. Net assessment for the current period: (line 16d + line 17) - (line 18). Note, if the net assessment amount is \$0.00 or results in a credit (negative) amount, see instructions, and do not complete lines 20 and 21.	19.				00
20. If the assessment levied under the HICA Act is paid late, enter penalty and interest.....	20.				00
21. Total Amount Due. Add lines 19 and 20. Payments must be made by Electronic Funds Transfer.	21.				00

Instructions for Completing Form 4930, *Quarterly Worksheet for Health Insurance Claims Assessment (HICA)*

IMPORTANT: This worksheet is your file copy and is subject to audit. You must keep this worksheet in your records for a period of four (4) years after the HICA annual return due date. **DO NOT SEND the worksheet to Treasury.** Record your name, account number, assessment/file period and return year at the top of the form.

Lines not listed are explained on the form.

Note: Report all amounts in whole dollars. Round down amounts of 49 cents or less. Round up amounts of 50 cents or more. Payments should be submitted using whole dollar amounts.

Organization Type

Line 1. Check the box indicating your organization type. If your company is both a third party administrator and a carrier, please select either box. For definitions of “carrier” and “third party administrator,” see MCL 550.1732. Note that the definition of “carrier” includes an employer or employee organization that establishes or maintains a group health plan. Entities that self-insure for health care are therefore included in the definition of “carrier.”

Health Insurance Claims Assessment

Line 2. Enter gross paid claims during the current assessment period for dates of service on or after January 1, 2012 for actual payments, net of recoveries, made to a health and medical services provider or reimbursed to an individual by a carrier, third party administrator, self-insured entity, or excess loss or stop loss carrier.

Paid Claims and Related Exclusions Not Subject to Assessment

NOTE: For each exclusion listed in lines 3 through 13, enter amounts:

- **ONLY TO THE EXTENT INCLUDED IN LINE 2; AND**
- **ONLY TO THE EXTENT SUCH AMOUNT IS NOT INCLUDED IN ANOTHER LINE IN THIS SECTION.**

Line 3. Enter the amount of allowable recoveries. “Recoveries” includes any amounts received by the payer that are applied against a claim (and that actually affect the amount of actual payment made to the provider).

Line 4. Enter the amount of cost containment expenses including, but not limited to, payments for utilization review, care or case management, disease management, medication review management, risk assessment, and similar administrative services intended to reduce the claims paid for health and medical services rendered to covered individuals by attempting to ensure that needed services are delivered in the most efficacious manner possible or by helping those covered individuals maintain or improve their health. Claims-related expenses also includes general administrative expenses, payments made to or by an organized group of health and medical service providers in accordance with managed care risk arrangements or network access agreements, which payments are unrelated to the provision of services to specific covered individuals.

Line 5. Enter any payments made to a qualifying provider under an incentive compensation arrangement if the payments are not reflected in the processing of claims submitted for services rendered to specific covered individuals.

Line 6. Enter payments for specified accident, accident-only coverage, credit, disability income, long-term care, health-related claims under automobile insurance, homeowners insurance, farm owners, commercial multi-peril, and worker’s compensation, or coverage issued as a supplement to liability insurance.

Lines 7 and 8. For purposes of the HICA, a Michigan “resident” is an individual who is domiciled in the State of Michigan on the date that the service in question is performed. “Domicile” means the place where an individual has his or her fixed, permanent and principal home to which he or she returns or intends to return. An individual’s domicile in one place continues until a different domicile is established. A rebuttable presumption shall exist that an individual’s home address, as maintained in the ordinary business records of a carrier or third party administrator, indicates the domicile of that individual under this definition. Example: An individual who is domiciled in Michigan, but attends college in another state, is a Michigan resident for purposes of the HICA Act. If that individual obtains health services in Michigan while home between semesters, a “paid claim” for the performance of those services will be subject to the assessment under the HICA Act.

Line 9. Enter the proportionate share of claims paid for services rendered to a person covered under a health benefit plan for federal employees.

Line 10. Enter any payments made under a federal employee health benefit program, Medicare, Medicare Advantage, Medicare Part D, Tricare, by the United States Veterans Administration, and for high-risk pools established pursuant to the Patient Protection and Affordable Care Act (Public Law 111-148), and the Health Care and Education Reconciliation Act of 2010 (Public Law 111-152).

Line 11. Enter any reimbursements to individuals under a flexible spending arrangement (26 USC 106 (c)(2)), health savings account (26 USC 223), Archer MSA (26 USC 220), Medicare Advantage MSA (26 USC 138), or other health reimbursement arrangement authorized under federal law.

Line 12. Enter any health and medical services costs paid by an individual for cost-sharing requirements, including deductibles, coinsurance, or co-pays.

Line 13. The assessment shall not exceed \$10,000 per insured individual or covered life annually. Enter claims paid in excess of \$1,000,000 per individual, or \$10,000,000 per individual if you checked line 1c.

Line 16. This is your total assessment for the file period. Quarterly payments are due April 30, July 30, October 30 and January 30, and must be made by Electronic Funds Transfer (EFT). In order to be registered to make payments

by EFT, you must complete and submit Form 4926, Electronic Funds Transfer Application – Health Insurance Claims Assessment to Treasury. Allow at least four weeks for processing your EFT application. If no assessment is owed for the period, you may submit a \$0.00 (zero) EFT transmission to complete the filing information for the quarter, but a \$0.00 transmission is not required.

Line 16a. For claims with dates of service from January 1, 2012 through June 30, 2014, and January 1, 2017 through June 30, 2020, the assessment rate is 1% (0.01).

Line 16b. For claims with dates of service from July 1, 2014 through December 31, 2016, the assessment rate is 0.75% (0.0075).

Line 16c. If you are a carrier with a suspension or exemption under MCL 500.3717 as of January 1, 2012, and have checked box 1c, the assessment rate for all claims is 0.1% (0.001).

Line 16d. Enter the total of lines 16a, 16b, 16c. This is the total assessment amount for the file period.

Line 17. If an adjustment is needed for an **underpayment** of the assessment paid for a prior quarter within the same calendar year, enter that amount here. The annual return filed for the calendar year should reflect all adjustments made during the year. Please refer to the annual return instructions for more information on how to make prior year adjustments.

Line 18. If an adjustment is needed for an **overpayment** of the assessment paid for a prior quarter within the same calendar year, enter that amount here. The annual return filed for the calendar year should reflect all adjustments made during the year. Please refer to the annual return instructions for more information on how to make prior year adjustments.

Line 19. If the assessment amount entered on line 19 is \$0.00, or results in a credit (negative) amount, you may submit a \$0.00 EFT transmission to complete the filing information for the quarter, but a \$0.00 transmission is not required. Credits should be carried forward to assessment periods within the same calendar year. A credit on the fourth quarter worksheet should be included in the annual return reconciliation process, and a refund can be requested if appropriate. Do not carry the credit forward to the following calendar year.

Line 20. You will owe penalty and interest for late payment of the assessment if you pay after the due date.

If you have an assessment due on line 16d, the penalty is as follows:

- 5 percent of the assessment due (line 16d) if the late payment is received within two months of the due date.
- 5 percent of the assessment due for each subsequent month, or part thereof, the assessment is not paid.
- Maximum penalty is 25 percent of the assessment due.
- Interest is due at the rate of 1 percent above the prime interest rate from the day the assessment is due until it is paid. The interest rate will be adjusted January 1 and July 1. Interest does not calculate on penalty amounts.
- A penalty and interest calculator is available on Treasury's Web site at www.michigan.gov/taxes.

Line 21. This is your total amount due under the HICA Act for the file period, including any applicable penalty and interest. Payments must be made by EFT.

Additional information about the HICA Act (P.A. 142 of 2011) is available on Treasury's Web site at www.michigan.gov/business taxes