

a claim period to the department on an annual basis. The department shall deposit the money in the state special revenue account provided for in [section 2].

(b) For the purposes of this subsection (5), "surplus balance account" means funds that remain after all claims and all administrative expenses have been paid for a claim period."

or

6. Page 2, line 18.

Following: "PROGRAM."

Insert: "(5) (a) An insurance company or other entity that contracts with the department for a fully-insured contract as provided in subsection (2) (b) at the end of each contract year shall calculate the surplus account balance and may retain an amount equal to ^{50%} ~~25%~~ of the risk charge allowed under the contract.

(b) For the purposes of this subsection (5):

(i) "risk charge" means the percentage of the ~~operating cost allowed per member per month~~ by the department in the contract to the insurance company or other entity for assuming the risk;

(ii) "surplus balance account" means funds that remain after all claims and all administrative expenses have been paid for a claim period."

administrative expenses

25% to 50%

or a variation on the bill language as introduced:

7. Page 2, line 18.

Following: "PROGRAM."

Insert: "(5) If the department contracts with an insurance company or other entity as provided in subsection (2) (b), any premium in excess of the incurred or estimated claims expenses and the operating and administrative expenses of a contract with an insurance company or other entity must be returned to the department and deposited in a state special revenue account as provided in [section 2]."

State special revenue account to deposit money returned

8. Page 2, line 19.

Insert: "NEW SECTION.Section 2. State special revenue account. There is an account in the state special revenue fund for the state children's health insurance program administered