
The Health Insurance Tax

**\$101.7 Billion Tax on Health Plans
(2014-2023)**

Amount:

- \$8 Billion (2014), \$11.3B (2015 & 2016), \$13.9B (2017), \$14.3B (2018) and indexed to growth in premiums thereafter.

Applies to:

- All Fully Insured Health Plans
 - Medicare Advantage Plans
 - Medicaid Managed Care Plans
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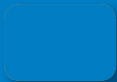


The Health Insurance Tax Is Larger than All the Other Industry Specific Taxes Combined

How It Impacts the Economy¹

How It Impacts You²

Individual



¹ Effects of the PPACA Premium Tax on Small Businesses and Their Employees, <http://www.nfib.com/Portals/0/PDF/AllUsers/research/studies/ppaca/health-insurance-tax-study-nfib-2011-11.pdf>
² Estimated Premium Impacts of Annual Fees Assessed on Health Insurance Plans, <http://www.ahip.org/Workarea/linkit.aspx?ItemID=2147483716>. The Oliver Wyman study examined the ten year period from 2014-2023.

Health Insurance Tax:

MAKING HEALTH CARE MORE EXPENSIVE FOR CALIFORNIA

TIME FOR
AFFORDABILITY.

What Is the Health Insurance Tax?

The health care reform law imposes a massive new sales tax on health insurance which will increase the cost of coverage for individuals, small businesses, and public program beneficiaries with private insurance. The tax begins at \$8 billion in 2014 and rises to \$14.3 billion

in 2018, increasing annually thereafter based on premium growth. The Joint Committee on Taxation projects that between 2013 and 2022 the new tax will total \$101.7 billion.

The Health Insurance Tax Is Larger than All the Other Industry Specific Taxes Combined



The tax will impose a
\$22 Billion*
fee on Californians

How It Impacts the National Economy¹

Reduce future private sector employment by 125,000

59% of jobs created would have been at small employers

Reduce potential sales by at least **\$18 billion**

50% of lost sales would have been made by small employers

How It Impacts Californians²

| IF YOU PURCHASE COVERAGE IN CALIFORNIA >>> | ON YOUR OWN | THROUGH A SMALL EMPLOYER | THROUGH A LARGE EMPLOYER |
|--|---|---|---|
| Individual  | Average increase in premiums of \$1,954 over 10 years. | Average increase in premiums of \$2,792 over 10 years. | Average increase in premiums of \$2,566 over 10 years. |
| Family  | Average increase in premiums of \$4,909 over 10 years. | Average increase in premiums of \$6,916 over 10 years. | Average increase in premiums of \$7,141 over 10 years. |



IF you have a Medicare Advantage plan, the tax could cost you on average \$3,847 more in higher premiums and reduced benefits over 10 years.



MEDICAID health plan costs could increase \$971 over 10 years, putting pressure on already strained state budgets, which could lead to decreased benefits and potentially create coverage disruption.

* 10 year impact

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Thank You!

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More Information can be found at
www.ahip.org/Affordability and www.ahipcoverage.com
