

# Health Insurance Tax:

MAKING HEALTH CARE MORE EXPENSIVE

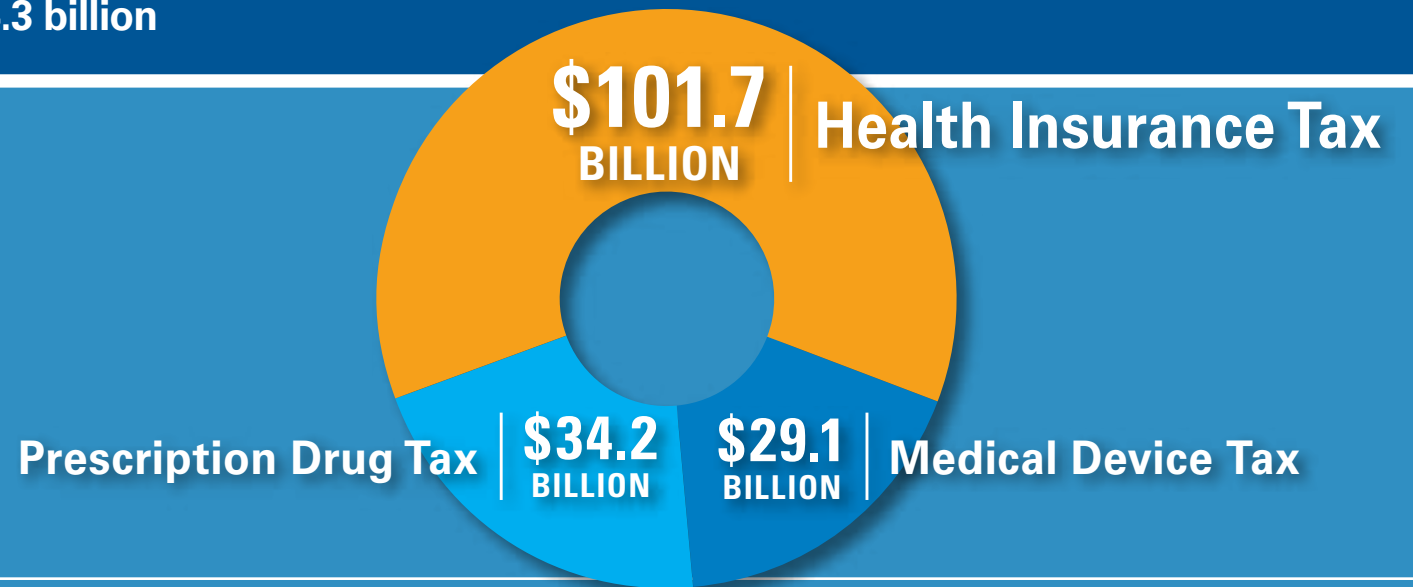


## What Is the Health Insurance Tax?

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



## How It Impacts the Economy<sup>1</sup>

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 You<sup>2</sup>

IF YOU PURCHASE COVERAGE >>	ON YOUR OWN	THROUGH A SMALL EMPLOYER	THROUGH A LARGE EMPLOYER
Individual	Average increase in premiums of \$2,150 over 10 years.	Average increase in premiums of \$2,760 over 10 years.	Average increase in premiums of \$2,610 over 10 years.
Family	Average increase in premiums of \$5,080 over 10 years.	Average increase in premiums of \$6,830 over 10 years.	Average increase in premiums of \$7,130 over 10 years.

**MEDICARE 65+ YEARS**

If you have a Medicare Advantage plan, the tax could cost you on average \$3,590 more in higher premiums and reduced benefits over 10 years.

**MEDICAID**

Medicaid health plan costs could increase \$1,530 over 10 years, putting pressure on already strained state budgets, which could lead to decreased benefits and potentially create coverage disruption.

<sup>1</sup> 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>  
<sup>2</sup> 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.