

# The Return of the Health Insurance Tax in 2018...

## Higher Health Insurance Premiums for Over 100 Million Americans

### Oliver Wyman Analysis of the ACA's Tax on Health Insurance in 2018

#### *Executive Summary*

On August 8, 2017, actuarial consulting firm Oliver Wyman released an analysis of the impact that the return and increase of the Affordable Care Act's (ACA) Health Insurance Tax will have on premiums from 2018 to 2027. The Health Insurance Tax will result in **higher health insurance premiums totaling \$22 billion for over 100 million Americans nationwide** – impacting individuals and families who receive insurance through Medicare, Medicaid, or their Employer (including State Governments).

The negative impacts of the return of this tax on health insurance in 2018 include:

- 19 million seniors and disabled individuals in Medicare Advantage will see their premiums increase \$490 per couple (or \$245 for every individual) in 2018.
- Health insurance will cost fully insured Small Business owners and their employees an additional \$500 for family coverage in 2018 due to the return of the Tax.
- Fully insured large employers and their employees will see a \$540 increase in premiums for family coverage.
- State Medicaid programs will incur an additional cost of \$181 for each of their insured Medicaid enrollees in 2018.
- Consumers in the individual market will see health insurance premiums rise \$158 annually for individual policies.
- In addition to increasing premiums across the Health Care System, the return of the Health Insurance Tax in 2018 will:
  - Increase cost-sharing for the 19 million Medicare Advantage and 41 million Medicare Part D enrollees, half of whom have incomes below \$26,000 a year; and
  - Result in individuals and groups dropping their health insurance, increasing the number of uninsured in the U.S.
- Families, businesses, and States will once again be hit with higher health insurance premiums in order to pay for the Health Insurance Tax. Specifically, in 2018, the HIT will cost:
  - Texas, \$1.5 billion in higher health insurance premiums;
  - California, \$3.7 billion in higher health insurance premiums;
  - New York, \$1.1 billion in higher health insurance premiums; and
  - Florida, \$1.7 billion in higher health insurance premiums.

**Congress acted on a bipartisan basis to eliminate the Health Insurance Tax for 2017, lowering health insurance premiums by 3% and saving the health care system \$21.4 billion.**

**Congress should act soon to prevent the return of this \$14.3 billion tax in 2018 which will cost Americans an additional \$22 billion in premiums next year.**