

ANALYSIS OF THE IMPACTS OF THE ACA'S TAX ON HEALTH INSURANCE IN 2018 AND BEYOND - REVISED

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REPORT QUALIFICATIONS/ASSUMPTIONS AND LIMITING CONDITIONS

Oliver Wyman was commissioned by UnitedHealth Group to analyze the impact of the ACA's tax on health insurance premiums. The primary audience for this report includes health insurers that are responsible for paying the tax on health insurance premiums and other interested parties.

Oliver Wyman shall not have any liability to any third party in respect of this report or any actions taken or decisions made as a consequence of the results, advice or recommendations set forth herein.

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While this analysis complies with applicable Actuarial Standards of Practice, users of this analysis should recognize that our projections involve estimates of future events, and are subject to economic and statistical variations from expected values.

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1. Executive Summary

Section 9010 of the Patient Protection and Affordable Care Act (Pub L. 111-148) and the Health Care and Education Reconciliation Act (Pub L. 111-152), collectively “the ACA,” imposes fees on insurance companies that offer fully-insured health insurance coverage. The fees, which are treated as taxes under the Internal Revenue Code, are assessed on earned health insurance premiums, with certain exclusions.

In December 2015, Congress passed H.R. 2029, the Consolidated Appropriations Act, which created a one-year moratorium on collecting the insurer taxes for 2017. The \$13.9 billion that would have been due in 2017 will not be collected and, as a result of the moratorium policyholders are projected to save approximately 3% of premiums. However, under current law the moratorium will lapse in 2018 and the tax on health insurance will be reinstated for 2018 at a higher annual level (\$14.3 billion), resulting in higher fully-insured premiums for the 2018 plan year and all future years.

The taxes on health insurance are non-deductible for federal tax purposes for health insurers. Therefore, for each dollar assessed and paid in taxes, more than a dollar in additional premiums must be collected (e.g. \$1.54 for every \$1.00 in taxes, assuming a 35% federal corporate income tax rate)¹ yielding a total premium impact in 2018 of as much as \$22.0 billion. In total, the amount assessed and collected is projected to be over \$270 billion over the next ten years (2018-2027).

This report provides an analysis of the impact of the tax on health insurance premiums beginning in 2018. In addition, we provide the allocation of these taxes across each state and by line of business and also describe the number of individuals whose coverage is impacted by the tax on health insurance.

This report reflects revised results when compared to the report issued on August 8, 2017. We have adjusted the analysis to exclude data from several large California Medicaid plans that are considered fully exempt from the fees based on meeting the criteria of Section 9010 (c)(2)(C). The result of this change is a reduction in the total net premiums for 2016 of \$32 billion, increasing the cost of the health insurance tax for consumers in fully-insured plans. In addition, we have added exhibits that show the aggregate and per capita additional premiums over the next ten years by state and line of business and new analysis that describes the number of individuals whose coverage could be impacted by the tax on health insurance.

In summary, we estimate that the tax on health insurance will increase premiums by 2.7% in 2018, and between 2.6% and 2.8% in subsequent years when the amounts collected in taxes is mandated to increase at the same level as the premium trend. In 2018, this amount equates to \$165 per individual in the non-group market, \$193 per single contract and \$523 per family contract in the small group market, \$196 per single contract and \$563 per family contract in the large group market, \$255 per Medicare Advantage member (including Special Needs Plans and Employer Group Waiver Plans), and \$195 per Medicaid managed care enrollee. Over the next ten years, this amount equates to \$2,376 per individual in the non-group market, \$2,383 per single contract and \$6,463 per family contract in the small group market, \$2,428 per single

¹ \$1.00 = \$1.54 x (1.00 - .035)

contract and \$6,969 per family contract in the large group market, \$3,156 per Medicare Advantage member, and \$2,559 per Medicaid managed care enrollee. Furthermore, we estimate that over 156 million consumers and/or their plan sponsors (in the case of Medicaid and subsidized exchange plans) could be impacted by the tax on health insurance.

The taxes apply to all fully-insured coverage, including the on-exchange and off-exchange individual market, large and small group markets, and any insured public programs including Medicare Advantage, Medicare Part D, and Medicaid Managed Care. The increased cost of health insurance leads to many negative outcomes, including:

- Increasing costs facing the Medicare Advantage and Medicare Part D programs that could result in increased cost-sharing and premiums for Medicare Advantage and Medicare Part D enrollees.
- Increasing the tax burden on small employers that are fully-insured, unlike self-insured public and private employers that are not required to pay the tax on health insurance.
- Increasing costs for States and States' taxpayers to pay the tax costs for Medicaid Managed Care enrollees.
- Increasing the cost of fully-insured health care coverage, resulting in individuals and groups delaying purchase of health insurance and increasing the number of uninsured individuals.
- Potentially exacerbating "adverse selection" in the individual and small group markets as younger, healthier individuals forego coverage leading to a less stable risk pool and higher premiums.

The opinions and conclusions expressed herein reflect technical assessments and analyses, and do not reflect statements or views with respect to public policy.

2. Data

The health insurance taxes discussed in this report are allocated to each insurer based on their applicable net premiums for health insurance, but during the year prior to the year the taxes are due. The 2018 taxes will be allocated based on 2017 net premiums. The portion of the tax to be paid by each insurer will be based on the proportion of each insurer's premiums to total premiums for all covered entities (referred to here as the "denominator"). In order to determine the applicable tax to be paid by each insurer relative to their premiums, we need to calculate the total premiums for entities that will be charged the taxes.

There are three main components in developing the net premiums to be used as the denominator in our analysis. The first component is an estimation of current health insurance premiums that would be eligible to be assessed the insurer taxes. The next component is the expected increase in per capita costs due to such factors as the underlying health care trend, benefit changes either required by the ACA or resulting from the general course of business, and changes in the demographics of the insured population. The final component is the expected change in enrollment counts.

Base Premiums

Insurance companies are required to file annual financial statements with the applicable state regulatory agencies. Most of these data are publicly available and represent the experience for insurers during the preceding calendar year. We accumulated all of the available financial statement data for their 2016 experience. There are some states that do not require public disclosure of financial statements for certain plans (e.g., Medicaid managed care plans). Therefore, we relied on data from the IRS for companies that did not appear in the accumulated financial statement data. Table 1 below shows the total health insurance premiums from the five sources of data we used.

Table 1
Aggregate Health Premiums for 2016 by Source

Source of Premium Data	Health Insurance Premiums (000s)
Health Insurance Financial Statements (Orange Blanks)	\$ 636,085,918
Life, Accident and Health Financial Statements (Blue Blanks)	178,465,725
Property and Casualty Financial Statements (Green Blanks)	4,552,997
California Data (Knox-Keene)	153,746,952
IRS Form 8963 Database	22,993,720
Total Gross Premiums	\$ 995,845,313

Additionally, we collected data at the state and coverage type level using information from the National Association of Insurance Commissioners' (NAIC) supplemental exhibits, which include the Accident and Health Policy Experience Exhibit and the Supplemental Health Care Exhibits (SHCE). The SHCE were required beginning in 2012 and are used to calculate the medical loss ratios for individual, small group and large group plans.

We accumulated the data by identifying all companies that had health insurance premiums during 2016 and pulled the earned premiums by line of business for every state and US territory from the supplemental exhibits. Where the supplemental exhibits are not completed, we used the direct written premiums by state from Schedule T of the NAIC Financial Statement to allocate experience for all lines of business by state.

The insurer taxes are allocated based on net premiums subject to certain exclusions. Using the accident and health supplemental exhibits from insurers' financial statements, we estimated the amount of the exclusions for the health products that are not subject to the insurer taxes. These exclusions include amounts for hospital indemnity type plans, critical illness, long- and short-term disability, Medicare supplement and long-term care.

Section 9010(c)(2)(C) of the ACA provides for an insurer tax exclusion for all companies that meet four criteria. First, they must be incorporated as a non-profit corporation under state law; second, no part of net earnings may inure to any private shareholder or individual; third, no substantial part of the entity's activities may be engaging in lobbying or political campaigns; and fourth, more than 80 percent of gross revenues must be received from government programs that target low-income, elderly or disabled participants under Titles XVIII, XIX and XXI of the Social Security Act. We have removed all companies that satisfy these requirements from our analysis.

In comparing the NAIC data and the IRS data that were reported for 2015, we found that the IRS data reported premiums for certain companies that we were unable to locate from our sources. In these cases, we relied on the data from the IRS. Note that we relied on IRS data from 2015 because data for 2016 is not available.

Further, for each company, all premiums up to \$25 million are excluded from the insurer tax calculations, and premiums from \$25 million to \$50 million are reduced by one-half. Finally, premiums for tax-exempt companies are further reduced by one-half. Our analysis compiles information for each company, thus we modeled the exclusions on a company-by-company basis. Table 2 shows the calculation of the premiums based on 2016 data reflecting exclusions.

Table 2
Excluded Premiums and Denominator Based on 2016 Premiums

Premium by Tiers	Premium Excluded (000s)
Total Gross Premium	\$ 995,845,313
Premium for Lines of Business Not Subject to Insurer Fee	114,298,437
Net Premium	\$ 881,546,875
Excluded under Section 9010 (c)(2)(C)	92,065,504
Net Premiums After Exclusion	\$ 789,481,371
\$0 to \$25 million	8,525,641
\$25 to \$50 million	3,797,546
Net Premiums After Tiers	\$ 777,158,184
Premium for Tax Exempt	63,288,554
Total Net Premiums (Denominator)	\$ 713,869,630

Our modeling assumes that the tiered exclusions of premiums up to \$50 million will be based on consolidated groups. Companies are assigned to a group based on the group assignments in the IRS data.

The IRS rules describe the applicability of the exclusion for tax exempt organizations.² Per the regulations, the exclusion for tax exempt companies is applied at the member level, thus if the member of a consolidated group is tax exempt, it will benefit from the 50% exemption, even if the consolidated group is not entirely tax exempt.

We used the supplemental exhibits from the financial statements to identify the net premiums by line of business, splitting premiums into individual, small group, large group, FEHBP, Medicare Advantage and Part D, and Medicaid. In total, this method generated net premiums of \$789 billion in 2016 that are subject to the tax. We further reduced applicable premium base to \$714 billion after allowable exclusions. Table 3 shows the results of our analysis split by line of business and tax status.

Table 3
Denominator Premiums by Line of Business for 2016

Line of Business	Applicable Premiums (000s)	Excluded Premium (000s)	Net Premiums (Denominator) (000s)
Individual	\$ 81,516,008	\$ 7,020,229	\$ 74,495,779
Small Group	78,507,236	7,481,070	71,026,166
Large Group	243,133,328	33,416,553	209,716,774
FEHBP	11,887,392	1,360,650	10,526,742
Medicare Advantage	188,884,900	17,117,605	171,767,296
Medicaid	169,625,661	8,875,215	160,750,446
Medicare PDP	15,926,847	340,420	15,586,427
	\$ 789,481,371	\$ 75,611,742	\$ 713,869,630

Table 3 shows the base premiums for 2016, but because of the moratorium on taxes for 2017, no taxes will be paid based on 2016 data. Therefore we project the premiums to 2017 and later to determine the estimated premiums that will be considered in the calculation of the insurer taxes for 2018 and subsequent years. Below we describe the assumptions used in our projections.

Per Capita Costs

The projection of the premium rates required us to estimate changes to the cost to provide health care between 2016 and 2017, and later. We compiled data from public sources that estimate the changes in the per capita costs by line of business. Below we list the basis of these assumptions:

- Individual – For 2017, premium rate increases are based on the October 24, 2016 Research Brief published by the Office of the Assistant Secretary for Planning and Evaluation

² <https://www.irs.gov/businesses/corporations/affordable-care-act-provision-9010>

(ASPE).³ For 2018, the premium rate increases are based on a report prepared by Oliver Wyman and assumes that the payments to health plans related to the cost sharing reductions (CSR) will continue to be paid.⁴ For 2019 and later years, premium rate increases are based on the average medical cost trends from the Oliver Wyman Carrier Trend Survey.⁵

- Large, Small Group and FEHBP – Based on data from the National Health Expenditures.⁶
- Medicare Advantage – Based on data from the National Health Expenditures.⁷
- Medicare Part D⁸ – Based on the Express Scripts Annual Trend Report for 2016.⁹
- Medicaid – Based on data from the National Health Expenditures.¹⁰

Enrollment Estimates

The next step in establishing the premiums in 2018 and later years is to estimate the changes in enrollment by line of business. Again, our assumptions for enrollment come from public sources, as described below:

- Individual – For 2017, based on a study from McKinsey & Company. No change in enrollment for years 2018 and later.¹¹
- Large, Small Group and FEHBP – Based on data from the National Health Expenditures.¹²
- Medicare Advantage and Medicaid – Based on data from the National Health Expenditures includes both changes in the per capita costs and the enrollment.
- Medicare Prescription Drug Plans (PDPs) – Based on actual changes in enrollment from July 2016 to July 2017, with similar enrollment increase assumed from 2017 to 2018.

Table 4 shows the assumptions to project the 2016 premium experience to 2017.

³ <https://aspe.hhs.gov/system/files/pdf/212721/2017MarketplaceLandscapeBrief.pdf>

⁴ http://health.oliverwyman.com/content/oliver-wyman/hls/en/transform-care/2017/06/analysis_market_unc.html

⁵ <http://www.oliverwyman.com/our-expertise/insights/2017/mar/carrier-trend-report---july-2016.html>

⁶ <https://www.cms.gov/research-statistics-data-and-systems/statistics-trends-and-reports/nationalhealthexpenddata/>

⁷ Ibid.

⁸ Referred to as Medicare Prescription Drug Plans (PDPs) in the rest of this report.

⁹ <http://lab.express-scripts.com/lab/drug-trend-report>

¹⁰ <https://www.cms.gov/research-statistics-data-and-systems/statistics-trends-and-reports/nationalhealthexpenddata/>

¹¹ <http://healthcare.mckinsey.com/individual-market-enrollment-dropped-10-12-year-over-year-end-first-quarter-2017>

¹² <https://www.cms.gov/research-statistics-data-and-systems/statistics-trends-and-reports/nationalhealthexpenddata/>

Table 4
Projection Assumptions for 2016 to 2017

Line of Business	Premium Rate Increases	Enrollment
Individual	22.0%	-11.0%
Small Group	6.5%	0.0%
Large Group	6.5%	0.0%
FEHBP	6.5%	0.0%
Medicare Advantage	5.9%	0.0%
Medicaid	3.7%	0.0%
Medicare PDP	4.7%	1.8%

As mentioned previously, employer groups are more likely to self-insure their medical coverage if the moratorium ends and the taxes are once again collected. This affects all those that pay the insurer taxes since the self-insured groups are excluded from the insurer taxes, while the dollar amount of taxes that are to be collected from the market would generally remain the same. Therefore, if more employers self-insure, additional costs would need to be shouldered by the remaining fully-insured health plans. To reflect the possibility of an acceleration of employers moving to self-insurance, we prepared a range of estimates. The low estimate of the insurer taxes reflects the current split between insured and self-insured plans and the high estimate reflects a continuation of the historical move to self-insurance.

We used data from the Medical Expenditure Panel Survey (MEPS) to project the increased use of self-insurance among employers. Specifically, the percent of employers offering a self-insured plan increased from 37.2% in 2014 to 39.0% in 2015 after several years of no change in the percentage of employers with self-insurance. For this analysis, in developing our high estimate we have assumed that this recent experience continues and the percent of employers self-insuring increases at 1.8% per year.¹³

Tables 5 and 6 show the projections of premiums by line of business based on the low and high scenarios described above.

¹³ https://meps.ahrq.gov/mepsweb/survey_comp/Insurance.jsp

Table 5
Projected Premiums for 2017 – Based on No Changes to Self-Insurance Rates (Low Scenario)

Line of Business	2016 Premiums (000s)	Cost Trend (2016-2017)	Membership Trend (2016-2017)	2017 Premiums (000s)	Exclusions (000s)	Net Premiums (Denominator) (000s)
Individual	\$ 81,516,008	1.220	0.890	\$ 88,510,082	\$ 7,523,886	\$ 80,986,196
Small Group	78,507,236	1.065	1.000	83,582,479	7,902,793	75,679,686
Large Group	243,133,328	1.065	1.000	258,851,124	35,404,463	223,446,661
FEHBP	11,887,392	1.065	1.000	12,655,874	1,435,013	11,220,860
Medicare Advantage	188,884,900	1.059	1.000	200,046,534	17,991,758	182,054,776
Medicaid	169,625,661	1.037	1.000	175,924,757	9,106,808	166,817,950
Medicare PDP	15,926,847	1.047	1.018	16,969,948	353,533	16,616,415
	\$ 789,481,371			\$ 836,540,798	\$ 79,718,254	\$ 756,822,544

Table 6
Projected Premiums for 2017 – Based on Increase in Self-Insurance among Employers (High Scenario)

Line of Business	2016 Premiums (000s)	Cost Trend (2016-2017)	Membership Trend (2016-2017)	2017 Premiums (000s)	Exclusions (000s)	Net Premiums (Denominator) (000s)
Individual	\$ 81,516,008	1.220	0.890	\$ 88,510,082	\$ 7,531,289	\$ 80,978,793
Small Group	78,507,236	1.065	0.982	82,077,994	7,773,283	74,304,711
Large Group	243,133,328	1.065	0.982	254,191,804	34,804,703	219,387,101
FEHBP	11,887,392	1.065	1.000	12,655,874	1,435,523	11,220,351
Medicare Advantage	188,884,900	1.059	1.000	200,046,534	17,995,820	182,050,714
Medicaid	169,625,661	1.037	1.000	175,924,757	9,107,989	166,816,768
Medicare PDP	15,926,847	1.047	1.018	16,969,948	353,899	16,616,049
	\$ 789,481,371			\$ 830,376,993	\$ 79,002,506	\$ 751,374,486

3. Results

Using the assumptions described above, we projected the net premiums forward to each year from 2018 to 2027. Next, we calculated the ratio of the insurer taxes to the projected applicable premiums. Finally, we grossed up the ratio to reflect the non-deductibility of the taxes by assuming a 35% overall federal tax rate, reflecting the federal statutory rate for corporate income tax. This implies that for each dollar paid in taxes, an additional \$1.54 in premiums must be collected.

As discussed above, for the base premiums and the group insured membership we applied different assumptions to reflect alternate scenarios. Therefore, our results are represented by a range. The low end of the range of the premium increase reflects the current makeup of the group market. The high end of the range reflects lower aggregate premiums over which the taxes can be spread and a decrease in fully-insured group lives due to a trend among employers to self-insure.

Table 7
Estimated Increase in Health Insurance Premiums Due to Section 9010 Taxes

Year	Percent Increase	
	Low	High
2018	2.7%	2.7%
2019	2.7%	2.8%
2020	2.7%	2.8%
2021	2.6%	2.8%
2022	2.6%	2.8%
2023	2.6%	2.8%
2024	2.6%	2.8%
2025	2.6%	2.8%
2026	2.6%	2.8%
2027	2.6%	2.8%

Table 7 represents the increase in average premium rates by year that will be needed to fund the payments that insurers will be required to make to support the taxes imposed on them.

Per Capita Increase in Premiums

Using the amounts in Table 7, we applied these increases on a per capita basis to the premiums in each market. Table 8 shows the projected per capita premium increase for the next ten years by line of business.

Table 8
Estimated Increase in Per Capita Premiums Due to Section 9010 Taxes for 2018-2027

Year	Small Group			Large Group		FEHBP		Medicare	Medicaid	Medicare
	Individual	Single	Family	Single	Family	Single	Family	Advantage		PDP
2018	\$ 165	\$ 193	\$ 523	\$ 196	\$ 563	\$ 198	\$ 559	\$ 255	\$ 195	\$ 22
2019	178	202	549	206	592	208	587	267	206	23
2020	192	211	572	215	617	217	611	280	218	25
2021	207	221	598	225	645	227	639	292	231	26
2022	224	231	626	235	675	238	669	306	244	27
2023	241	242	656	246	707	249	701	322	259	28
2024	260	253	686	258	740	260	734	337	274	30
2025	280	265	718	270	774	272	767	351	291	31
2026	302	277	751	282	809	285	802	365	310	32
2027	326	289	785	295	846	298	839	381	330	34
Total	\$ 2,376	\$ 2,383	\$ 6,463	\$ 2,428	\$ 6,969	\$ 2,452	\$ 6,909	\$ 3,156	\$ 2,559	\$ 278

Additional Premiums

We can also apply the tax rates to the projected aggregate health care premiums to determine the amount of additional premiums that will be paid for the next ten years. Table 9 shows the total additional premiums by line of business for 2018 through 2027.

Table 9
Additional Premiums by Year and Line of Business for 2018-2027 (\$000s)

Year	Small Group			Large Group		FEHBP		Medicare	Medicaid	Medicare
	Individual	Single	Family	Single	Family	Single	Family	Advantage		PDP
2018	\$ 2,292,557	\$ 560,528	\$ 1,569,479	\$ 1,622,661	\$ 4,543,450	\$ 82,604	\$ 231,290	\$ 5,133,895	\$ 4,780,633	\$ 481,147
2019	2,472,523	588,735	1,648,459	1,704,317	4,772,087	86,760	242,929	5,358,195	5,059,721	503,761
2020	2,666,616	613,417	1,717,566	1,775,766	4,972,144	90,398	253,113	5,617,828	5,356,492	527,437
2021	2,875,945	641,624	1,796,546	1,857,422	5,200,781	94,554	264,752	5,877,460	5,667,102	552,227
2022	3,101,707	671,770	1,880,956	1,944,692	5,445,137	98,997	277,192	6,157,340	5,994,627	578,181
2023	3,345,191	703,239	1,969,068	2,035,790	5,700,211	103,634	290,176	6,463,023	6,342,142	605,356
2024	3,607,789	736,382	2,061,869	2,131,736	5,968,859	108,519	303,852	6,765,531	6,713,490	633,808
2025	3,891,000	770,054	2,156,152	2,229,213	6,241,795	113,481	317,746	7,048,586	7,142,502	663,597
2026	4,196,444	805,266	2,254,745	2,331,147	6,527,211	118,670	332,276	7,343,483	7,598,928	694,786
2027	4,525,864	842,088	2,357,847	2,437,742	6,825,678	124,096	347,470	7,650,718	8,084,522	727,441
Total	\$ 32,975,637	\$ 6,933,103	\$ 19,412,688	\$ 20,070,484	\$ 56,197,354	\$ 1,021,713	\$ 2,860,797	\$ 63,416,059	\$ 62,740,159	\$ 5,967,739

Consumers In Plans Impacted by the Tax on Health Insurance

We estimated that over 156 million consumers are in fully-insured plans that could be impacted by the tax on health insurance. The Congressional Budget Office has stated previously that consumers would pay the health insurers tax as it would be passed through in the form of higher premiums.¹⁴ This means that consumers who purchase individual coverage, receive it from their employer, or enroll in a Medicare Advantage plan or Medicare PDP are paying for the health insurance tax. For individuals covered by exchange subsidies and Medicaid, the government pays the tax on their behalf. Table 10 shows the number of fully-insured consumers, by line of business, who are in plans that could be impacted by the tax on health insurance in 2018.

¹⁴ <https://www.cbo.gov/sites/default/files/111th-congress-2009-2010/reports/11-30-premiums.pdf>

Table 10
Estimated Consumers in Plans That Could Be Impacted by the Health Insurance Tax in 2018

Line of Business	Consumers In Fully-Insured Plans
Individual	18,000,000
Small Group	11,900,000
Large Group	32,500,000
Medicare Advantage	19,000,000
Medicare PDP	21,400,000
Medicaid Managed Care	54,000,000
Total	156,800,000

4. State Specific Results

Using the financial statement data, we were able to split the premium data further into state specific data. Therefore, we have calculated for each state and line of business, the additional premiums that will be paid in 2018 in aggregate, and per capita. The detailed data are shown in Tables 11-14 below.

Table 11
Additional Premiums to Be Paid as a Result of Section 9010 Taxes in 2018 (\$000s)¹⁵

State/ Territory	Individual	Small Group	Large Group	FEHBP	Medicare Advantage	Medicaid	Medicare PDP	Total
AK	\$ 7,073	\$ 4,438	\$ 17,943	\$ 0	\$ 164	\$ 0	\$ 195	\$ 29,812
AL	35,972	35,048	76,020	271	52,295	0	4,193	203,798
AR	50,867	13,655	32,189	1,280	20,144	0	3,001	121,135
AZ	35,398	20,031	73,221	16,005	91,247	19,754	5,635	261,292
CA	330,786	283,498	1,171,942	65	562,997	488,819	25,309	2,863,416
CO	31,727	31,553	79,553	813	50,317	1,950	4,342	200,255
CT	26,466	29,704	67,314	0	367,382	0	5,128	495,994
DC	3,570	15,598	111,159	2,765	2,735	25,851	1,109	162,785
DE	6,262	5,971	15,213	1	2,549	0	788	30,783
FL	280,409	115,480	362,321	11,032	590,424	406,440	48,347	1,814,453
GA	82,901	44,611	152,882	3,894	141,864	118,531	7,808	552,491
HI	4,521	17,647	67,740	13,425	23,021	21,220	2,252	149,826
IA	24,399	22,136	51,035	1,051	7,109	89,594	4,102	199,426
ID	13,002	8,490	27,852	0	7,084	0	1,139	57,567
IL	79,713	90,918	312,205	10,131	163,498	189,360	22,477	868,302
IN	28,418	29,089	66,760	89	40,268	97,227	9,051	270,902
KS	23,885	20,014	53,316	879	7,102	90,488	2,300	197,984
KY	21,207	18,054	56,158	156	221,734	156,589	6,398	480,295
LA	43,987	31,165	76,199	5,968	51,000	164,523	3,895	376,737
MA	11,246	28,456	126,442	14,345	35,784	30,695	12,536	259,505
MD	35,872	38,407	150,019	5,251	15,835	100,181	4,888	350,453
ME	6,594	7,277	33,052	0	7,221	0	906	55,050
MI	44,523	52,267	168,161	4,726	113,525	208,947	10,894	603,043
MN	29,289	29,345	92,768	54,439	6,454	73,965	2,583	288,844
MO	53,175	37,123	98,516	0	130,832	43,575	7,465	370,686
MS	18,418	12,084	31,022	3,228	4,582	71,935	2,834	144,103
MT	9,990	6,400	12,117	0	4,847	0	592	33,946
NC	120,480	42,037	108,217	0	101,112	0	10,512	382,357
ND	8,057	9,167	23,433	3,416	50	8,828	862	53,813
NE	20,567	10,934	40,111	635	8,178	16,529	2,685	99,639
NH	10,963	8,811	23,359	0	3,993	8,180	896	56,201
NJ	59,725	82,118	204,881	777	132,615	277,914	8,263	766,292
NM	6,725	7,260	24,337	131	30,503	133,161	2,242	204,358
NV	19,219	12,407	51,230	758	32,879	46,328	1,219	164,040
NY	50,996	238,225	427,933	16,616	234,179	149,913	26,863	1,144,726
OH	51,417	104,095	141,503	22,205	148,017	414,131	26,484	907,851
OK	26,104	26,603	67,454	21	23,003	0	4,495	147,680
OR	21,628	17,760	75,280	10,044	46,829	14,058	2,160	187,758
PA	88,034	101,637	288,753	51,911	213,028	226,084	10,951	980,398
RI	4,823	10,139	23,774	359	25,935	15,353	1,745	82,128
SC	39,960	19,543	54,830	469	47,648	84,821	3,999	251,271
SD	8,146	7,345	16,239	3,932	103	0	822	36,587
TN	51,177	42,010	75,690	646	145,214	187,596	4,381	506,714
TX	188,100	157,714	346,111	34,382	318,796	449,981	28,567	1,523,650
UT	12,656	13,014	46,440	500	28,244	11,350	1,213	113,417
VA	59,935	54,276	185,581	2,464	26,059	52,698	5,716	386,728
VT	5,432	6,988	6,248	0	2,426	0	812	21,906
WA	35,047	40,245	140,202	1,369	93,241	126,560	5,054	441,718
WI	39,760	42,910	136,359	8,383	595,795	35,693	128,356	987,257
WV	8,552	8,175	22,879	0	3,086	40,985	1,928	85,604
WY	6,391	3,344	6,224	269	466	0	572	17,267
AS	0	0	1	0	1	0	0	2
GU	105	3,981	2,219	0	46	0	9	6,360
MP	18	238	55	0	7	0	1	318
PR	8,698	9,227	38,162	4,791	150,127	80,828	174	292,007
VI	174	1,347	5,489	0	300	0	1	7,311
Total	\$ 2,292,557	\$ 2,130,007	\$ 6,166,110	\$ 313,894	\$ 5,133,895	\$ 4,780,633	\$ 481,147	\$ 21,298,243

¹⁵ Note that the total amount in this table is less than the \$22 billion cited in the Executive Summary since not all plans pay the full 35% corporate tax rate which is the underlying assumption of the \$22 billion total.

Table 12
Total Additional Premiums to Be Paid as a Result of Section 9010 Taxes 2018-2027 (\$000s)

State/ Territory	Individual	Small Group	Large Group	FEHBP	Medicare Advantage	Medicaid	Medicare PDP	Total
AK	\$ 101,737	\$ 54,887	\$ 221,931	\$ 0	\$ 2,020	\$ 0	\$ 2,417	\$ 382,992
AL	517,410	433,505	940,286	3,346	645,968	0	52,005	2,592,520
AR	731,657	168,893	398,147	15,830	248,822	0	37,218	1,600,566
AZ	509,162	247,761	905,665	197,960	1,127,125	259,245	69,898	3,316,816
CA	4,757,952	3,506,556	14,495,598	810	6,954,374	6,415,171	313,910	36,444,371
CO	456,356	390,280	983,983	10,051	621,541	25,590	53,853	2,541,654
CT	380,687	367,404	832,596	0	4,538,054	0	63,609	6,182,350
DC	51,351	192,924	1,374,908	34,196	33,780	339,262	13,752	2,040,172
DE	90,065	73,849	188,165	15	31,483	0	9,775	393,352
FL	4,033,346	1,428,355	4,481,507	136,453	7,293,164	5,334,044	599,658	23,306,528
GA	1,192,430	551,788	1,890,974	48,169	1,752,362	1,555,580	96,841	7,088,143
HI	65,032	218,271	837,867	166,050	284,368	278,492	27,929	1,878,009
IA	350,944	273,798	631,242	13,002	87,815	1,175,815	50,882	2,583,498
ID	187,017	105,014	344,497	0	87,503	0	14,127	738,158
IL	1,146,567	1,124,547	3,861,628	125,311	2,019,599	2,485,132	278,786	11,041,569
IN	408,762	359,799	825,748	1,098	497,412	1,275,983	112,259	3,481,061
KS	343,551	247,545	659,460	10,877	87,726	1,187,544	28,530	2,565,234
KY	305,037	223,302	694,614	1,933	2,738,948	2,055,040	79,360	6,098,233
LA	632,706	385,477	942,492	73,823	629,976	2,159,166	48,308	4,871,946
MA	161,766	351,972	1,563,945	177,430	442,023	402,836	155,490	3,255,461
MD	515,971	475,048	1,855,568	64,952	195,603	1,314,761	60,625	4,482,529
ME	94,852	90,006	408,812	0	89,202	0	11,237	694,110
MI	640,411	646,489	2,079,960	58,457	1,402,305	2,742,177	135,119	7,704,918
MN	421,291	362,961	1,147,433	673,353	79,727	970,709	32,037	3,687,509
MO	764,858	459,164	1,218,535	0	1,616,093	571,872	92,591	4,723,112
MS	264,923	149,461	383,707	39,929	56,602	944,066	35,145	1,873,832
MT	143,687	79,166	149,878	0	59,875	0	7,337	439,944
NC	1,732,956	519,947	1,338,518	0	1,248,983	0	130,376	4,970,781
ND	115,887	113,387	289,839	42,253	623	115,855	10,689	688,533
NE	295,831	135,242	496,130	7,860	101,022	216,920	33,296	1,286,301
NH	157,693	108,980	288,921	0	49,322	107,352	11,109	723,377
NJ	859,069	1,015,706	2,534,148	9,607	1,638,115	3,647,293	102,490	9,806,427
NM	96,734	89,797	301,017	1,621	376,782	1,747,581	27,805	2,641,337
NV	276,437	153,464	633,661	9,375	406,137	607,996	15,120	2,102,189
NY	733,519	2,946,575	5,293,051	205,516	2,892,681	1,967,433	333,192	14,371,967
OH	739,565	1,287,533	1,750,231	274,652	1,828,371	5,434,975	328,483	11,643,810
OK	375,481	329,048	834,326	261	284,141	0	55,756	1,879,012
OR	311,089	219,669	931,128	124,234	578,457	184,493	26,785	2,375,854
PA	1,266,258	1,257,133	3,571,552	642,085	2,631,412	2,967,081	135,831	12,471,352
RI	69,374	125,411	294,055	4,437	320,357	201,495	21,641	1,036,769
SC	574,779	241,725	678,184	5,803	588,572	1,113,176	49,600	3,251,839
SD	117,164	90,850	200,855	48,631	1,278	0	10,200	468,978
TN	736,115	519,611	936,197	7,994	1,793,746	2,461,980	54,340	6,509,982
TX	2,705,585	1,950,750	4,281,000	425,267	3,937,907	5,905,463	354,318	19,560,289
UT	182,034	160,974	574,405	6,182	348,885	148,958	15,047	1,436,485
VA	862,086	671,329	2,295,429	30,479	321,886	691,599	70,896	4,943,703
VT	78,135	86,440	77,278	0	29,962	0	10,066	281,880
WA	504,112	497,787	1,734,139	16,931	1,151,754	1,660,955	62,685	5,628,363
WI	571,895	530,750	1,686,613	103,694	7,359,517	468,431	1,592,018	12,312,917
WV	123,004	101,122	282,983	0	38,125	537,873	23,911	1,107,018
WY	91,932	41,361	76,978	3,332	5,757	0	7,096	226,457
AS	3	0	10	0	7	0	1	21
GU	1,508	49,241	27,451	0	565	0	106	78,872
MP	254	2,947	676	0	83	0	9	3,969
PR	125,113	114,128	472,025	59,253	1,854,434	1,060,768	2,163	3,687,885
VI	2,498	16,662	67,895	0	3,709	0	15	90,779
Total	\$ 32,975,637	\$ 26,345,791	\$ 76,267,838	\$ 3,882,510	\$ 63,416,059	\$ 62,740,159	\$ 5,967,739	\$ 271,595,734

Table 13
Additional Premiums per Capita as a Result of Section 9010 Taxes in 2018

State/ Territory	Individual	Small Group Single	Small Group Family	Large Group Single	Large Group Family	FEHBP Single	FEHBP Family	Medicare Advantage	Medicaid	Medicare PDP
AK	\$ 386	\$ 263	\$ 632	\$ 238	\$ 661	\$ 0	\$ 0	\$ 269	\$ 0	\$ 21
AL	155	183	510	185	481	188	488	251	0	20
AR	134	160	411	163	474	165	481	252	0	20
AZ	169	175	476	180	521	182	528	254	236	20
CA	152	180	487	196	585	199	593	273	150	23
CO	174	191	522	196	534	199	542	247	191	24
CT	187	214	612	209	608	0	0	265	0	21
DC	132	216	607	205	572	207	579	269	298	20
DE	183	226	575	206	587	209	596	254	0	20
FL	166	196	522	193	534	196	541	211	149	25
GA	166	197	489	187	544	189	551	255	134	21
HI	134	178	492	178	498	181	505	241	183	17
IA	172	173	462	186	533	189	541	248	184	22
ID	160	169	418	167	494	0	0	252	0	26
IL	154	207	566	205	577	208	585	262	150	21
IN	165	195	496	203	578	205	586	256	177	22
KS	148	178	488	180	525	182	532	258	201	22
KY	144	168	456	198	561	201	568	252	199	22
LA	199	191	499	191	534	194	542	288	164	20
MA	172	220	652	213	594	216	602	274	293	21
MD	144	190	529	203	578	206	586	295	237	20
ME	169	195	515	198	554	0	0	249	0	19
MI	159	192	519	188	524	191	531	254	170	20
MN	152	193	545	196	549	198	556	245	252	22
MO	169	183	480	185	520	0	0	257	218	22
MS	149	180	468	183	506	185	513	265	179	21
MT	172	185	449	197	503	0	0	248	0	22
NC	206	193	491	188	544	0	0	253	0	21
ND	171	173	479	185	518	188	525	251	280	22
NE	183	192	501	186	541	189	549	258	194	22
NH	164	217	602	213	608	0	0	258	244	19
NJ	186	218	580	216	642	219	651	269	279	22
NM	132	199	517	192	529	195	536	246	195	19
NV	154	181	473	182	542	184	549	283	125	23
NY	227	210	589	212	584	214	592	269	299	23
OH	169	179	487	199	536	202	543	251	230	21
OK	170	181	474	189	546	192	554	254	0	21
OR	151	185	489	191	548	194	555	251	198	23
PA	148	194	535	197	548	200	555	256	262	23
RI	157	221	600	206	551	209	558	260	311	21
SC	160	189	491	196	538	199	546	255	161	21
SD	170	181	486	197	548	199	556	251	0	22
TN	168	184	462	178	537	181	544	249	173	20
TX	147	188	513	193	569	195	577	289	177	21
UT	152	171	484	186	535	188	543	251	164	26
VA	160	189	516	182	557	184	564	257	209	21
VT	238	204	525	207	559	0	0	246	0	21
WA	149	176	469	198	585	201	593	253	168	23
WI	190	201	577	197	577	200	585	247	182	24
WV	186	204	526	206	585	0	0	252	212	23
WY	240	203	549	196	547	199	554	259	0	22

Table 14
Total Additional Premiums per Capita as a Result of Section 9010 Taxes 2018-2027

State/ Territory	Individual	Small Group Single	Small Group Family	Large Group Single	Large Group Family	FEHBP Single	FEHBP Family	Medicare Advantage	Medicaid	Medicare PDP
AK	\$ 5,554	\$ 3,257	\$ 7,820	\$ 2,945	\$ 8,179	\$ 0	\$ 0	\$ 3,321	\$ 0	\$ 266
AL	2,235	2,262	6,310	2,293	5,954	2,324	6,036	3,105	0	252
AR	1,922	1,984	5,079	2,011	5,868	2,038	5,948	3,114	0	248
AZ	2,426	2,164	5,882	2,222	6,445	2,253	6,534	3,135	3,096	249
CA	2,192	2,224	6,029	2,423	7,237	2,457	7,337	3,374	1,970	291
CO	2,504	2,362	6,452	2,426	6,610	2,460	6,701	3,045	2,504	296
CT	2,696	2,650	7,572	2,582	7,519	0	0	3,276	0	261
DC	1,894	2,677	7,506	2,530	7,069	2,564	7,166	3,317	3,913	244
DE	2,639	2,791	7,116	2,549	7,266	2,584	7,366	3,140	0	244
FL	2,383	2,430	6,452	2,393	6,603	2,425	6,693	2,609	1,955	313
GA	2,383	2,439	6,052	2,311	6,725	2,343	6,817	3,147	1,760	260
HI	1,922	2,197	6,083	2,206	6,160	2,236	6,245	2,975	2,397	210
IA	2,469	2,144	5,717	2,306	6,596	2,337	6,687	3,067	2,421	271
ID	2,305	2,087	5,170	2,065	6,111	0	0	3,110	0	316
IL	2,220	2,563	7,003	2,542	7,133	2,576	7,231	3,239	1,974	259
IN	2,376	2,409	6,141	2,506	7,146	2,541	7,244	3,166	2,317	267
KS	2,135	2,206	6,030	2,226	6,494	2,256	6,583	3,184	2,643	270
KY	2,078	2,073	5,645	2,454	6,933	2,487	7,028	3,117	2,617	267
LA	2,866	2,358	6,170	2,365	6,608	2,397	6,699	3,562	2,147	247
MA	2,469	2,718	8,066	2,634	7,344	2,670	7,445	3,382	3,843	261
MD	2,078	2,353	6,538	2,514	7,149	2,548	7,247	3,640	3,106	244
ME	2,433	2,408	6,364	2,449	6,851	0	0	3,076	0	240
MI	2,284	2,373	6,413	2,327	6,475	2,359	6,564	3,143	2,234	254
MN	2,185	2,385	6,737	2,420	6,788	2,453	6,881	3,026	3,309	271
MO	2,433	2,264	5,937	2,289	6,428	0	0	3,175	2,860	275
MS	2,142	2,223	5,784	2,258	6,261	2,289	6,347	3,278	2,352	255
MT	2,469	2,290	5,551	2,438	6,225	0	0	3,065	0	271
NC	2,965	2,381	6,074	2,320	6,725	0	0	3,120	0	266
ND	2,454	2,138	5,919	2,291	6,408	2,322	6,496	3,097	3,676	271
NE	2,639	2,369	6,203	2,306	6,696	2,337	6,788	3,182	2,541	271
NH	2,362	2,683	7,450	2,629	7,520	0	0	3,186	3,198	240
NJ	2,674	2,698	7,174	2,675	7,942	2,711	8,051	3,320	3,663	278
NM	1,901	2,459	6,400	2,375	6,541	2,408	6,631	3,044	2,558	230
NV	2,220	2,237	5,847	2,251	6,701	2,282	6,793	3,493	1,644	279
NY	3,263	2,602	7,282	2,617	7,217	2,653	7,316	3,320	3,924	281
OH	2,433	2,219	6,020	2,460	6,627	2,494	6,718	3,106	3,022	256
OK	2,447	2,243	5,868	2,344	6,754	2,376	6,847	3,142	0	265
OR	2,178	2,282	6,047	2,368	6,775	2,400	6,868	3,095	2,605	286
PA	2,128	2,403	6,622	2,443	6,774	2,476	6,867	3,163	3,444	280
RI	2,256	2,737	7,416	2,554	6,812	2,589	6,905	3,206	4,077	261
SC	2,305	2,333	6,070	2,427	6,656	2,460	6,748	3,154	2,118	264
SD	2,447	2,241	6,017	2,431	6,784	2,464	6,877	3,106	0	271
TN	2,419	2,275	5,711	2,203	6,639	2,233	6,730	3,070	2,273	252
TX	2,114	2,323	6,347	2,381	7,039	2,414	7,136	3,570	2,327	265
UT	2,192	2,111	5,985	2,298	6,623	2,329	6,714	3,095	2,156	316
VA	2,305	2,342	6,388	2,249	6,887	2,280	6,982	3,173	2,744	254
VT	3,426	2,526	6,494	2,564	6,912	0	0	3,035	0	261
WA	2,142	2,182	5,802	2,452	7,238	2,486	7,337	3,130	2,201	286
WI	2,738	2,480	7,133	2,435	7,140	2,468	7,238	3,050	2,387	291
WV	2,681	2,527	6,501	2,551	7,233	0	0	3,111	2,784	280
WY	3,448	2,517	6,786	2,423	6,762	2,456	6,855	3,202	0	271



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