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New Yorkers With Private Health Insurance Will Pay \$4.8 Billion This Year in Taxes and Fees on Health Insurance

In 2014, this estimate will increase by 35 percent to more than \$6.5 billion due to additional Affordable Care Act levies.

Albany, NY -- New York State's leading business groups, together with the New York State Conference of Blue Cross Blue Shield Plans, today released a new analysis of health insurance taxes titled, "The Facts About Taxes on New York's Privately Insured." The report is one component of a public education campaign to increase awareness of the taxes and fees driving up the cost of health insurance.

According to the report, New Yorkers with private health coverage will pay approximately \$4.8 billion in state health insurance taxes this year. With employers paying most of the private health insurance premiums, the state tax on private coverage is nothing more than a "hidden" business tax. Among all business taxes levied by the state, when totaled, the taxes imposed on the privately insured would rank as New York's single highest business tax.

Adding to the state tax burden are a number of new federal health insurance taxes. For example, beginning in 2014, New York's businesses and families will be forced to pay an additional \$1.7 billion, bringing the total health insurance tax bill to more than \$6.5 billion, as a result of two new taxes included in the federally required Affordable Care Act.

To view the latest version of this report, please visit www.nysblues.org and go to the Fact Sheet section.

"New York State's excessive taxes on health insurance have been driving up the cost of coverage for decades, stagnating small businesses and making New York one of the most expensive health insurance markets in the country," said Heather Briccetti, president and CEO of The Business Council of New York State, "New taxes and fees in the federal health care law will add a financial burden on New York families and small businesses at a time when they can least afford it."

"The 2013 Unshackle Upstate Policy Agenda is about improving the upstate economy and promoting policies that will help our state thrive," said Brian Sampson, executive director of Unshackle Upstate. "Imposing new taxes and fees, especially hidden ones, will not let us achieve our goal. New York cannot attract and retain great employers and employees if it is not competitive. And tacking on billions of dollars' worth of veiled health insurance taxes and fees is unacceptable."

"For years small business owners have consistently rated the rapidly increasing health care costs among their top concerns," said Mike Durant, New York State director of the National Federation of Independent Business (NFIB). "New York's lawmakers must pursue meaningful ways to help lower health insurance costs and provide affordable options for small businesses."

The NYSCOP report highlights four state taxes that directly affect the cost of health insurance premium. They are:

- A tax on health plans for each covered life that they insure, known as the Covered Lives Assessment: **\$1.05 billion.**
- A 9.63 percent tax on “sales” hospital and other health care services: **\$3.02 billion.**
- “Assessments” on all health plans to fund the State Insurance Department operations: **\$331 million.**
- Premium taxes on those who receive health coverage from commercial insurers: **\$406 million.**

“Increasing state taxes on health insurance will increase premium rates, which in turn will force individuals to drop coverage – increasing the number of uninsured,” said Deborah Fasser, spokeswoman for NYSCOP. “These taxes are a tremendous burden on the cost of coverage and are completely inconsistent with both our state and nation’s goal of trying to decrease the number of uninsured.”

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The New York State Conference of Blue Cross and Blue Shield Plans (NYSCOP) is a partnership of Rochester-based Excellus Blue Cross Blue Shield and New York City-based Empire Blue Cross Blue Shield. Together, the two health insurance plans provide comprehensive health coverage for millions of New Yorkers.