

# HealthCare

## Quarterly

### Report: N.Y.'s privately insured pay \$4B in health-insurance taxes

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**N**ew Yorkers with private health coverage pay more than \$4.1 billion in state health-insurance taxes.

That's according to an analysis of private health-insurance taxes from the New York State Conference of Blue Cross and Blue Shield Plans (NYSCOP).

As for how these taxes impact a subscriber, NYSCOP says the premiums on family coverage for a typical health-care plan will include annual taxes of about \$677 in Central New York and \$640 in the Utica-Rome area.

NYSCOP released its updated analysis, titled "The Facts About Taxes on New York's Privately

Insured" on Aug. 18.

It's an annual update to a fact sheet, says Deborah Fasser, spokesperson for NYSCOP. Fasser says state lawmakers have been increasing taxes on private health-insurance plans "more and more."

"We do it to track it [tax amounts] for the health plans and for people actually purchasing health insurance," Fasser says, noting it's one of "the primary cost drivers."

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, according to NYSCOP.

With employers paying most of the private health-insurance premiums, NYSCOP sees the state tax on private coverage as nothing more

than a "hidden" business tax.

NYSCOP provided data indicating the \$4.1 billion in taxes on private health insurance are higher than other taxes companies pay in the 2010-2011 fiscal year, such as the corporate-franchise tax that amounts to \$3.2 billion, and the petroleum-business tax and bank tax, which both total more than \$1 billion.

NYSCOP used the 2010-2011 state budget five-year financial plan for the data on New York business taxes. The tax figure for private health-insurance coverage is based on information provided by the New York State Department of Health and Department of Insurance.

The organization's analysis highlights the four

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**TAXES:** *Each health plan also includes an assessment amounting to \$270 million*

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state taxes which directly affect the cost of a health-insurance premium. They include premium taxes on those who receive health coverage from commercial insurers in the amount of \$353 million.

"So, for each [health-insurance] premium, they [subscribers] pay a tax on that to the insurance company," Fasser says.

Each health plan also includes an assessment amounting to \$270 million, which is meant to help pay for operations at the New York State Insurance Department, according to NYSCOP.

In addition, a health-care premium includes a nearly 10 percent tax on hospital and other health-care services, which amounts to \$2.33 billion.

The fourth tax is a "covered lives assessment," or a surcharge, for each individual a carrier insures, which totals more than \$1.1 billion.

Headquartered in Albany, the New York State Conference of Blue Cross and Blue Shield Plans is a partnership of health insurers Rochester-based **Excelsus BlueCross BlueShield** and New York City-based Empire Blue Cross Blue Shield. □

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