

For Immediate Release

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A TAXING LOOK AT HIDDEN HEALTH INSURANCE TAXES

This year, small businesses will see a 35 percent tax increase due to Affordable Care Act levies.

The New York State Conference of Blue Cross and Blue Shield Plans (NYSCOP) today released an infographic highlighting the taxes and fees driving up the cost of health insurance titled, "[A Taxing Look at Hidden Health Insurance Taxes.](#)"

According to recent NYSCOP estimates, New Yorkers with private health coverage paid approximately \$4.8 billion in state health insurance taxes in 2013. 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. Beginning this year, as a result of three new taxes included in the federal Affordable Care Act, New York's businesses and families will be required to pay an additional \$1.7 billion, bringing the total health insurance tax bill to more than \$6.5 billion. In 2015, the federal tax burden will increase by another \$100 million.

The three federal taxes and their estimated costs are:

	2014	2015
▪ Annual fee on health insurance providers:	\$945 million	\$1.3 billion
▪ Transitional reinsurance tax for the individual market:	\$805 million	\$537 million
▪ Patient-Centered Outcomes Research Institute fee:	\$26 million	\$26 million

In addition, beginning in 2014 a risk adjustment user fee based on the number of enrollees will be levied. The annual cost of this fee is yet to be determined. A federal excise tax (Cadillac tax) for high-cost employer-sponsored health coverage begins in 2018.

New York State's small business owners already have 100 million reasons to be worried about next year's increase in health insurance taxes. Now is not the time to add to their burden.

To view NYSCOP's infographic, please click on the following link: <http://bit.ly/1dU1lfz>

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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 an estimated seven million New Yorkers. For more information, please visit NYSCOP at: www.nysblues.org.