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In 2016 New Yorkers Paid \$4.7 Billion in Taxes and Fees on Health Insurance

The New York State Conference of Blue Cross Blue Shield Plans today released an analysis detailing the taxes and fees driving up the cost of health insurance taxes titled, "[A Closer Look at Taxes on New Yorkers' Private Health Insurance.](#)"

According to the recent NYSCOP estimates, New Yorkers with private health coverage paid approximately \$4.7 billion in state health insurance taxes in 2016. With employers responsible for a significant portion of the private health insurance premiums, the state taxes on private coverage are viewed as "hidden" business taxes. 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.

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: **\$1.1 billion.**
- A 9.63 percent tax on "sales" hospital and other health care services: **\$3.1 billion.**
- "Assessments" on all health plans to fund the State Insurance Department operations: **\$149 million.**
- Premium taxes on those who receive health coverage from commercial insurers: **\$350 million.**

"New York State's excessive taxes on health insurance have been driving up the cost of coverage for decades, making New York one of the most expensive health insurance markets in the country," said Deborah Fasser, spokeswoman for NYSCOP. "These taxes are a tremendous burden on the cost of coverage."

In addition to the state imposed taxes and fees, New York's health plans must receive state approval prior to setting new rates and profits are capped through the state's medical loss ratio provision.

To view the latest version of this report, please visit www.nysblues.org in the "What's New" and "Fact Sheets" sections.

-30-

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.