



Studies & Testimony Regarding The Impact of Health Reform Legislation on Premiums and Health Care Costs

Bill	Study	Key Takeaways	Links
Boehner Substitute	CBO	<p>CBO estimates substantial reduction in premiums, primarily in the individual and small group markets.</p> <ul style="list-style-type: none"> • Average premiums in the small group market would decline by 7 to 10 percent. • Individual market premiums would be reduced, on average, by 5 to 8 percent. • Large group premiums would be reduced by zero to 3 percent. 	<p>http://www.cbo.gov/ftpdocs/107xx/doc10705/hr3962amendmentBoehner.pdf</p>
House and Senate	Milliman	<p>The combined effect of immediate implementation of several reform initiatives would be expected to increase average premiums over and above normal trend levels in both the small group and individual insurance markets.</p>	<p>“Analysis Of Impact Of Certain Healthcare Reform Initiatives on Health Insurance”</p>
House and Senate	Oliver Wyman	<p>Average premiums for small employers will increase. Under health reform, small employers will experience premium increases as a result of rating rule changes and minimum benefit requirements.</p>	<p>http://www.bcbs.com/issues/uninsured/background/Oliver-Wyman-Report-Showing-Impact-of-Healthcare-Reform-on-Premiums-pdf.pdf</p>
House and Senate	Wellpoint	<p>Health reform legislation includes new taxes and fees that will drive up premiums.</p>	<p>http://www.wellpoint.com/pdf/Ohio%20Premium%20Impacts%20Analysis.pdf</p>
House Bill (H.R. 3962)	CBO	<p>CBO only looked at the impact of premium subsidy eligible individuals. CBO has not looked at the impact of unsubsidized premiums or the cost shift to taxpayers. Specifically, CBO stated:</p> <ul style="list-style-type: none"> ▪ “Under the House bill, the maximum share of income that enrollees would have to pay for the reference plan in 2013 would range from 1.5 percent for those with income less than or equal to 133 percent of the federal poverty level (FPL) to 12 percent for those with income equal to 400 percent of the FPL.” ▪ On balance, however, CBO projects that the average premiums and cost-sharing payments for enrollees in the exchanges under the House bill would be slightly higher than those for enrollees in the exchanges under the Finance Committee’s proposal. 	<p>http://cboblog.cbo.gov/?p=405</p>



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		<ul style="list-style-type: none"> The total cost of mandates to the private sector, as estimated by CBO and JCT, would greatly exceed the threshold established by that act for private entities (\$139 million in 2009, adjusted annually for inflation). 	
House Tri-Committee	CMS Actuary	“Total national health expenditures under this bill would increase.”	http://republicans.waysandmeans.house.gov/UploadedFiles/OACT_Memorandum_on_Financial_Impact_of_H_R_3200_.pdf#page=3
Senate Finance	CBO	Premiums in the new exchange would tend to be higher than average premiums in the individual market.	http://cbo.gov/ftpdocs/106xx/doc10618/09-22_Analysis_of_Premiums.pdf#page=6
Senate Finance	CBO	New taxes on medical devices and prescription drugs would increase costs for the affected firms, which would be passed on to purchasers and ultimately would raise insurance fees.	http://cboblog.cbo.gov/?p=363
Senate Finance	CBO	CBO Director Doug Elmendorf: “Our Judgment is that that piece of legislation would raise insurance premiums.”	Testifying before Senate Finance Committee, 9/22/09.
Senate Finance	Hay Group	“Our model results show significantly higher premiums and lower coverage levels than for the most recent version of the Senate Finance Committee bill than our original assumptions would have produced.”	http://www.weeklystandard.com/weblogs/TWSFP/Impact%20of%20Proposed%20Health%20Care%20Reform%20Bill%20on%20the%20Nongroup%20Market%20-%20Hay%20Group.pdf
Senate Finance	JCT	The imposition of the excise tax on insurers can be expected to lead health insurance providers and consumers to take measures to minimize their burden from the tax. As insurers pass along the cost to the consumer by increasing price, the cost of employer provided insurance will increase	“Memorandum: Revenue Estimate,” Joint Committee on Taxation, 9/29/09
Senate Finance	PWC	On average, the cost of private health insurance coverage will increase:	http://www.docstoc.com/docs/13091587/PricewaterhouseCoopers-



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		<ul style="list-style-type: none">• 26 percent between 2009 and 2013 under the current system and by 40 percent during this same period if these four provisions are implemented.• 50 percent between 2009 and 2016 under the current system and by 73 percent during this same period if these four provisions are implemented.• 79 percent between 2009 and 2019 under the current system and by 111 percent during this same period if certain provisions are implemented.	Report-on-Baucus-Health-Care-Bill
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