

Excise Tax on High Cost Employer-Sponsored Health Coverage

Estimated Excise Tax Liability by Plan and Region 2016-2018

Illustrative Scenarios Designed to Demonstrate the Potential Broad Impact
of the Excise Tax on Premium Only

Estimated Plan Totals by Year

Estimated total excise tax liability by plan for 2016, 2017, and 2018, assuming 3% annual premium increase based on 2016 rate

	Plan Name	2016 Estimated Liability	2017 Estimated Liability	2018 Estimated Liability
HMO	Anthem HMO Select	\$14,357	\$27,616	\$46,552
	Anthem HMO Traditional	\$183,434	\$324,963	\$841,194
	BSC Access+	\$9,695,050	\$12,133,805	\$16,441,898
	BSC NetValue	\$3,892,789	\$4,472,255	\$6,414,753
	Health Net Salud y Más	\$0	\$0	\$0
	Health Net SmartCare	\$0	\$0	\$0
	Kaiser	\$0	\$0	\$0
	Kaiser Out of State	\$73,638	\$101,823	\$130,854
	Sharp	\$0	\$0	\$0
	UnitedHealthcare	\$253,402	\$673,840	\$929,930
PPO	Anthem EPO Del Norte	\$0	\$0	\$0
	Anthem EPO Monterey	\$0	\$0	\$0
	PERS Choice	\$0	\$0	\$0
	PERS Select	\$0	\$0	\$0
	PERSCare	\$312,540	\$697,695	\$1,106,963
ASN	CAHP	\$0	\$0	\$0
	CCPOA North	\$0	\$0	\$0
	CCPOA South	\$0	\$0	\$0
	PORAC	\$0	\$0	\$0
Total Estimated Liability		\$14,425,209	\$18,431,998	\$25,912,145

Estimated total excise tax liability by plan for 2016, 2017, and 2018, assuming 7% annual premium increase based on 2016 rate

	Plan Name	2016 Estimated Liability	2017 Estimated Liability	2018 Estimated Liability
HMO	Anthem HMO Select	\$14,357	\$38,422	\$64,173
	Anthem HMO Traditional	\$183,434	\$994,564	\$2,259,557
	BSC Access+	\$9,695,050	\$15,396,003	\$21,880,719
	BSC NetValue	\$3,892,789	\$6,788,904	\$11,493,101
	Health Net Salud y Más	\$0	\$0	\$0
	Health Net SmartCare	\$0	\$0	\$0
	Kaiser	\$0	\$0	\$483,083
	Kaiser Out of State	\$73,638	\$139,404	\$209,774
	Sharp	\$0	\$0	\$0
	UnitedHealthcare	\$253,402	\$450,705	\$759,927
PPO	Anthem EPO Del Norte	\$0	\$0	\$0
	Anthem EPO Monterey	\$0	\$0	\$68,721
	PERS Choice	\$0	\$64,481	\$4,321,269
	PERS Select	\$0	\$0	\$161,158
	PERSCare	\$312,540	\$1,224,967	\$3,568,982
ASN	CAHP	\$0	\$0	\$0
	CCPOA North	\$0	\$0	\$0
	CCPOA South	\$0	\$0	\$0
	PORAC	\$0	\$0	\$0
Total Estimated Liability		\$14,425,209	\$25,097,449	\$45,270,465

These tables represent a straight-line projection to present hypothetical scenarios. They do not represent any statement by CalPERS or any of our contracting health plans as to the actual or expected plan rate in any year.

Anthem HMO Select
Estimated Excise Tax Impact by Region by Year

Estimated total tax liability assuming 3% annual premium increase based on 2016 rate

Region	2016 Estimated Liability	2017 Estimated Liability	2018 Estimated Liability
State			
Bay Area			
Sacramento	\$14,357	\$24,670	\$35,294
LA			
Other So Cal			
Other Nor Cal		\$2,945	\$11,258
Total	\$14,357	\$27,616	\$46,552

Estimated total tax liability assuming 7% annual premium increase based on 2016 rate

Region	2016 Estimated Liability	2017 Estimated Liability	2018 Estimated Liability
State			
Bay Area			
Sacramento	\$14,357	\$38,422	\$64,173
LA			
Other So Cal			
Other Nor Cal			
Total	\$14,357	\$38,422	\$64,173

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Anthem HMO Traditional

Estimated Excise Tax Impact by Region by Year

Estimated total tax liability assuming 3% annual premium increase based on 2016 rate

Region	2016 Estimated Liability	2017 Estimated Liability	2018 Estimated Liability
State			
Bay Area	\$24,117	\$138,305	\$621,766
Sacramento	\$126,832	\$144,113	\$166,522
LA			
Other So Cal			
Other Nor Cal	\$32,486	\$42,545	\$52,907
Total	\$183,434	\$324,963	\$841,194

Estimated total tax liability assuming 7% annual premium increase based on 2016 rate

Region	2016 Estimated Liability	2017 Estimated Liability	2018 Estimated Liability
State			\$2,514
Bay Area	\$24,117	\$765,484	\$1,948,531
Sacramento	\$126,832	\$173,121	\$227,438
LA			
Other So Cal			
Other Nor Cal	\$32,486	\$55,958	\$81,074
Total	\$183,434	\$994,564	\$2,259,557

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Blue Shield Access+
Estimated Excise Tax Impact by Region by Year

Estimated total tax liability assuming 3% annual premium increase based on 2016 rate

Region	2016 Estimated Liability	2017 Estimated Liability	2018 Estimated Liability
State			\$1,788,035
Bay Area	\$9,457,481	\$11,432,555	\$13,466,882
Sacramento	\$117,633	\$339,563	\$568,152
LA			
Other So Cal			
Other Nor Cal	\$119,936	\$361,687	\$618,829
Total	\$9,695,050	\$12,133,805	\$16,441,898

Estimated total tax liability assuming 7% annual premium increase based on 2016 rate

Region	2016 Estimated Liability	2017 Estimated Liability	2018 Estimated Liability
State			
Bay Area	\$9,457,481	\$14,065,988	\$19,373,319
Sacramento	\$117,633	\$635,471	\$1,189,557
LA			
Other So Cal			
Other Nor Cal	\$119,936	\$694,544	\$1,317,843
Total	\$9,695,050	\$15,396,003	\$21,880,719

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Blue Shield Net Value

Estimated Excise Tax Impact by Region by Year

Estimated total tax liability assuming 3% annual premium increase based on 2016 rate

Region	2016 Estimated Liability	2017 Estimated Liability	2018 Estimated Liability
State			
Bay Area	\$3,281,404	\$3,908,023	\$4,553,441
Sacramento	\$560,434	\$429,769	\$1,659,402
LA			
Other So Cal			
Other Nor Cal	\$50,952	\$134,463	\$201,911
Total	\$3,892,789	\$4,472,255	\$6,414,753

Estimated total tax liability assuming 7% annual premium increase based on 2016 rate

Region	2016 Estimated Liability	2017 Estimated Liability	2018 Estimated Liability
State			\$1,383,499
Bay Area	\$3,281,404	\$4,743,515	\$6,549,117
Sacramento	\$560,434	\$1,823,615	\$3,175,220
LA			
Other So Cal			
Other Nor Cal	\$50,952	\$221,774	\$385,264
Total	\$3,892,789	\$6,788,904	\$11,493,101

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Health Net - Salud y Mas
Estimated Excise Tax Impact by Region by Year

Estimated total tax liability assuming 3% annual premium increase based on 2016 rate

Region	2016 Estimated Liability	2017 Estimated Liability	2018 Estimated Liability
State			
LA			
Other So Cal			
Total	\$0	\$0	\$0

Estimated total tax liability assuming 7% annual premium increase based on 2016 rate

Region	2016 Estimated Liability	2017 Estimated Liability	2018 Estimated Liability
State			
LA			
Other So Cal			
Total	\$0	\$0	\$0

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Health Net SmartCare
 Estimated Excise Tax Impact by Region by Year

Estimated total tax liability assuming 3% annual premium increase based on 2016 rate

Region	2016 Estimated Liability	2017 Estimated Liability	2018 Estimated Liability
State			
LA			
Other So Cal			
Total	\$0	\$0	\$0

Estimated total tax liability assuming 7% annual premium increase based on 2016 rate

Region	2016 Estimated Liability	2017 Estimated Liability	2018 Estimated Liability
State			
LA			
Other So Cal			
Total	\$0	\$0	\$0

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Kaiser

Estimated Excise Tax Impact by Region by Year

Estimated total tax liability assuming 3% annual premium increase based on 2016 rate

Region	2016 Estimated Liability	2017 Estimated Liability	2018 Estimated Liability
State			
Bay Area			
Sacramento			
LA			
Other So Cal			
Other Nor Cal			
Total	\$0	\$0	\$0

Out of State	\$73,638	\$101,823	\$130,854
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Estimated total tax liability assuming 7% annual premium increase based on 2016 rate

Region	2016 Estimated Liability	2017 Estimated Liability	2018 Estimated Liability
State			
Bay Area			\$483,083
Sacramento			
LA			
Other So Cal			
Other Nor Cal			
Total	\$0	\$0	\$483,083

Out of State	\$73,638	\$139,404	\$209,774
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<h1 style="margin: 0;">Sharp</h1> <p style="margin: 0;">Estimated Excise Tax Impact by Region by Year</p>

Estimated total tax liability assuming 3% annual premium increase based on 2016 rate

Region	2016 Estimated Liability	2017 Estimated Liability	2018 Estimated Liability
State			
Other So Cal			
Total	\$0	\$0	\$0

Estimated total tax liability assuming 7% annual premium increase based on 2016 rate

Region	2016 Estimated Liability	2017 Estimated Liability	2018 Estimated Liability
State			
Other So Cal			
Total	\$0	\$0	\$0

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<h2 style="margin: 0;">UnitedHealthcare</h2> <p style="margin: 0;">Estimated Excise Tax Impact by Region by Year</p>
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Estimated total tax liability assuming 3% annual premium increase based on 2016 rate

Region	2016 Estimated Liability	2017 Estimated Liability	2018 Estimated Liability
State			
Bay Area	\$253,402	\$673,840	\$929,930
Sacramento			
LA			
Other So Cal			
Other Nor Cal			
Total	\$253,402	\$673,840	\$929,930

Estimated total tax liability assuming 7% annual premium increase based on 2016 rate

Region	2016 Estimated Liability	2017 Estimated Liability	2018 Estimated Liability
State			
Bay Area	\$253,402	\$450,191	\$660,757
Sacramento			
LA			
Other So Cal			
Other Nor Cal		\$513	\$99,171
Total	\$253,402	\$450,705	\$759,927

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Anthem EPO Del Norte
Estimated Excise Tax Impact by Region by Year

Estimated total tax liability assuming 3% annual premium increase based on 2016 rate

Region	2016 Estimated Liability	2017 Estimated Liability	2018 Estimated Liability
State	\$0	\$0	\$0
Other Nor Cal	\$0	\$0	\$0
Total	\$0	\$0	\$0

Estimated total tax liability assuming 7% annual premium increase based on 2016 rate

Region	2016 Estimated Liability	2017 Estimated Liability	2018 Estimated Liability
State	\$0	\$0	\$0
Other Nor Cal	\$0	\$0	\$0
Total	\$0	\$0	\$0

Anthem EPO Monterey
Estimated Excise Tax Impact by Region by Year

Estimated total tax liability assuming 3% annual premium increase based on 2016 rate

Region	2016 Estimated Liability	2017 Estimated Liability	2018 Estimated Liability
State	\$0	\$0	\$0
Other Nor Cal	\$0	\$0	\$0
Total	\$0	\$0	\$0

Estimated total tax liability assuming 7% annual premium increase based on 2016 rate

Region	2016 Estimated Liability	2017 Estimated Liability	2018 Estimated Liability
State	\$0	\$0	\$0
Other Nor Cal	\$0	\$0	\$68,721
Total	\$0	\$0	\$68,721

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PERS Choice
 Estimated Excise Tax Impact by Region by Year

Estimated total tax liability assuming 3% annual premium increase based on 2016 rate

Region	2016 Estimated Liability	2017 Estimated Liability	2018 Estimated Liability
State			
Bay Area			
Sacramento			
LA			
Other So Cal			
Other Nor Cal			
Out of State			
Total	\$0	\$0	\$0

Estimated total tax liability assuming 7% annual premium increase based on 2016 rate

Region	2016 Estimated Liability	2017 Estimated Liability	2018 Estimated Liability
State			
Bay Area		\$62,832	\$1,801,251
Sacramento			
LA			
Other So Cal			
Other Nor Cal		\$1,649	\$2,520,018
Out of State			
Total	\$0	\$64,481	\$4,321,269

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PERS Select
 Estimated Excise Tax Impact by Region by Year

Estimated total tax liability assuming 3% annual premium increase based on 2016 rate

Region	2016 Estimated Liability	2017 Estimated Liability	2018 Estimated Liability
State			
Bay Area			
Sacramento			
LA			
Other So Cal			
Other Nor Cal			
Out of State			
Total	\$0	\$0	\$0

Estimated total tax liability assuming 7% annual premium increase based on 2016 rate

Region	2016 Estimated Liability	2017 Estimated Liability	2018 Estimated Liability
State			\$161,158
Bay Area			
Sacramento			
LA			
Other So Cal			
Other Nor Cal			
Out of State			
Total	\$0	\$0	\$161,158

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<h2 style="margin: 0;">PERSCare</h2> <p style="margin: 0;">Estimated Excise Tax Impact by Region by Year</p>
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Estimated total tax liability assuming 3% annual premium increase based on 2016 rate

Region	2016 Estimated Liability	2017 Estimated Liability	2018 Estimated Liability
State			\$4,742
Bay Area	\$219,769	\$486,251	\$760,728
Sacramento			\$7,816
LA			
Other So Cal			
Other Nor Cal	\$92,771	\$211,444	\$333,677
Out of State			
Total	\$312,540	\$697,695	\$1,106,963

Estimated total tax liability assuming 7% annual premium increase based on 2016 rate

Region	2016 Estimated Liability	2017 Estimated Liability	2018 Estimated Liability
State			\$1,186,911
Bay Area	\$219,769	\$841,560	\$1,506,877
Sacramento		\$13,731	\$112,784
LA			
Other So Cal			\$96,445
Other Nor Cal	\$92,771	\$369,675	\$665,964
Out of State			
Total	\$312,540	\$1,224,967	\$3,568,982

These tables represent a straight-line projection to present hypothetical scenarios. They do not represent any statement by CalPERS or any of our contracting health plans as to the actual or expected plan rate in any year.

Association Plans
Estimated Excise Tax Impact by Region by Year

Estimated total tax liability assuming 3% annual premium increase based on 2016 rate

Plan	2016 Estimated Liability	2017 Estimated Liability	2018 Estimated Liability
CAHP	\$0	\$0	\$0
CCPOA North	\$0	\$0	\$0
CCPOA South	\$0	\$0	\$0
PORAC	\$0	\$0	\$0
Total	\$0	\$0	\$0

Estimated total tax liability assuming 7% annual premium increase based on 2016 rate

Plan	2016 Estimated Liability	2017 Estimated Liability	2018 Estimated Liability
CAHP	\$0	\$0	\$0
CCPOA North	\$0	\$0	\$0
CCPOA South	\$0	\$0	\$0
PORAC	\$0	\$0	\$0
Total	\$0	\$0	\$0

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