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# HMA

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HEALTH MANAGEMENT ASSOCIATES

*Impacts of Imposing the ACA's Health Insurance Tax  
on Medicaid Plans*

PREPARED FOR  
UNITEDHEALTH GROUP

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## **Executive Summary**

The Affordable Care Act's Health Insurance Tax (HIT) is set under current law to return in January 2018 after being suspended during 2017. This study assesses the indirect impacts on health care premiums in private markets, participation by consumers in those markets, and federal and state budget impacts resulting from the imposition of the HIT on health insurers participating in state Medicaid programs. This report is an update of an earlier HMA publication (dated August 23, 2017) that incorporates updated findings from the firm Oliver Wyman. The new Oliver Wyman report (dated October 10, 2017) updates their earlier estimates (dated August 8, 2017) of the state-by-state impact of the HIT on premiums. The key to the model is the estimation of the public-to-private cost-shift that would occur as states and the federal government incur added Medicaid spending due to the HIT.

The main findings of the report are:

1. Under current law, the moratorium on the Health Insurance Tax will lapse in 2018 and the tax on health insurance will be reinstated for 2018 at a higher annual level (\$14.3 billion). The tax on health insurance, however, is not a deductible business expense for federal tax purposes. Therefore, insurers must collect \$22.0 billion in premiums to generate this \$14.3 billion, reflecting the 35% corporate income tax rate.
2. Of the \$22 billion in additional premiums, \$4.78 billion is attributable to Medicaid in 2018.
3. Taxes imposed on health insurers are an allowable cost in calculating how much Medicaid must pay insurers participating in Medicaid. Therefore, while the \$4.78 billion is initially paid for by insurers, the actual burden of this tax will fall on states and the federal government, which share the costs of Medicaid. To a substantial degree, the government is taxing itself.
4. At the national level, \$2.72 billion of this new government cost will be borne by the federal government and \$2.06 billion by the states in 2018. The federal government will bear \$35.76 billion and the states will bear \$26.98 billion of the cost of the HIT over 10 years. This is based on an average federal Medicaid matching rate of 57%. For our state-by-state estimates, we used the actual federal matching rate for each state.
5. Insurers must collect \$22 billion in premiums to pay the \$14.3 billion HIT in 2018. While the federal government will receive this \$14.3 billion, it will ultimately realize a net gain of approximately \$11.3 billion from the HIT in 2018 due to two key offsets: first, the federal government is paying itself in meeting its federal matching rate requirements for Medicaid, and this accounts for a \$2.72 billion offset to the total federal revenue received; second, the federal government will incur a tax revenue loss due to the downstream effects of the public-to-private sector cost-shift that result in a decline in

taxable wages and salaries. This accounts for the remainder of the roughly \$3 billion in total offsets.

6. States may take a combination of actions in response to higher-than-expected costs (or lower-than-expected revenues), including: 1) a reduction in payments to hospitals, physicians, and other providers; 2) a reduction in optional services under Medicaid; or 3) reductions in spending in other parts of their budgets or increases in taxes.
7. As states reduce payments to providers, those providers will try to shift that burden onto private payers. Our review of published research found estimates of about 20% to about 50% for the proportion of unexpected public sector higher health spending that would be shifted to the private sector. Using these figures, we projected “low” and “high” estimates of the amount of the cost-shift.
8. Under the high cost-shift scenario, the Medicaid premium cost-shift would result in more than 36,400 privately insured individuals losing coverage, with average per capita premium costs rising by \$17 and total private sector premiums increasing by \$2.39 billion in 2018. The cumulative ten-year increase in private sector premiums would be \$31.4 billion.
9. Under the low cost-shift scenario, more than 14,500 privately insured individuals would lose health coverage, average per capita premiums would rise by \$7, and total private sector premiums would increase by nearly \$1 billion in 2018. The cumulative ten-year increase in private sector premiums is estimated at more than \$12.5 billion.
10. Federal tax revenue would decline by \$303 million in 2018 and by \$3.74 billion over 10 years under the high cost-shift scenario. The corresponding figures for the low cost-shift scenario are \$121.2 million in 2018 and \$1.49 billion over 10 years.
11. State tax revenue would decline by \$151.5 million in 2018 and by \$1.87 billion over 10 years under the high cost-shift scenario, and by \$60.6 million in 2018 and \$748 million over 10 years under the low cost-shift scenario.
12. After presenting our national estimates, we present state-by-state results for states with active Medicaid managed care programs at the time of this analysis.

## **Introduction and Statement of Purpose**

The purpose of this report is to update the results of an earlier study conducted by Health Management Associates (HMA) for UnitedHealth Group to estimate the order of magnitude of the public-to-private cost-shift arising from the ACA's Health Insurance Tax (HIT). This tax, one of the ACA funding sources, was suspended for 2017, but will apply in 2018 under current law. This new version incorporates an updated set of state-by-state estimates of the impact of the HIT on premiums prepared by the firm Oliver Wyman.<sup>1</sup>

The HMA study highlights the distinction between the initial application of a tax and its actual impacts. While it begins as a tax on health insurers, this tax ends up being paid for by states, the federal government, employers, and employees. This report traces the way the tax is likely to be passed along from each entity to others. The primary focus of the study is the application of this tax to state Medicaid programs, and therefore, we are particularly interested in the impact on states. A further emphasis is on the extent to which states will reduce provider payments, resulting in a cost-shift by providers to the private sector.

We use the term tax in this report although the assessment is sometimes referred to as a fee. Section 9010 of ACA and Section 1406 of the Reconciliation Act impose an annual tax on the health insurance industry. This tax is based on an estimate of industry-wide gross revenue, which was estimated at \$8 billion in 2014. The expected aggregate tax amount for 2018 is \$14.3 billion.

This aggregate tax is apportioned to insurers based on their premiums in the previous year. Each insurer's tax is calculated as its market share multiplied by the annual gross tax. Market share is based on commercial, Medicare, and Medicaid premium revenue after excluding all premiums up to \$25 million and half of all premiums between \$25 and \$50 million, which in effect, reduces the market share used for smaller insurers. Nonprofit insurers that receive more than 80% of their revenue from Medicare, Medicaid, and CHIP are exempt from the tax. Other nonprofit insurers may exclude 50% of their premium revenue from the fee calculation.<sup>2</sup>

## **The initial impact on health plans ends up being paid for by States and the federal government**

Under current law, the moratorium on the Health Insurance Tax will lapse in 2018 and the tax on health insurance will be reinstated for 2018 at a higher annual level, an aggregate of \$14.3 billion. The Health Insurance Tax is allocated across insurers according to their market shares, with the exemptions and exclusions noted above.

The tax on health insurance is not a deductible business expense for federal tax purposes. As a result, for each dollar assessed and paid in this tax, insurers must collect more than a dollar in premiums. Given

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<sup>1</sup> Chris Carlson, Glenn Giese, and Steven Armstrong. Analysis of the Impacts of the ACA's Tax on Health Insurance in 2018 and Beyond—Revised. Oliver Wyman. October 10, 2017.

<sup>2</sup> M. Doucet and J. Yahnke. ACA health insurer fee. Milliman April 2013.

that the federal corporate income tax rate is 35%, insurers must collect \$1.54 for every dollar they are going to owe for this tax. This translates into a total premium impact of \$22.0 billion in 2018.<sup>3</sup>

An estimated 22.5% of this aggregate health plan revenue is attributed to Medicaid,<sup>4</sup> amounting to \$4.78 billion in additional costs for the program in 2018.

Our review of Medicaid reimbursement practices concludes that states will fully cover this added cost to MCOs operating in the Medicaid market—which includes both Medicaid MCOs and commercial insurers participating in Medicaid. States are required to cover all costs incurred by health plans, including taxes, according to the rules of actuarial soundness.

Therefore, we conclude that the entire increase in premiums of \$4.78 billion experienced by health insurers in 2018 will be paid for by states and the federal government, with the actual split determined by the Federal Medical Assistance Percentages (FMAP). While the FMAP vary considerably by state, the average FMAP for all the states is 57%.<sup>5</sup> Using this figure for the national estimate, we find that of the \$4.78 billion in premiums collected by insurers associated with their Medicaid business in 2018, \$2.72 billion will be paid for by the federal government, and \$2.06 billion by the states. This is a national estimate, and later in this report we present state-by-state estimates. In the case of the federal government, then, in effect, it is taxing itself by imposing this Health Insurance Tax.

## Public-to-Private Sector Cost-Shift Impact

The next stage in the model involves estimating the size of the public-to-private cost-shift arising from the increased Medicaid spending.

**Explanation of the Model.** This model tracks a chain of events that shows how an increase in Medicaid spending leads, through a series of steps, to changes in commercial insurance premiums, participation in private health insurance markets, changes in wages and employment, and tax revenue losses for federal and state governments.

### Key Assumptions in the Model

The model utilizes the following key assumptions:

**The size of the public-to-private cost-shift.** We conducted a literature search to prepare a range of estimates for the size of the cost-shift. Prior to a series of studies by health policy researchers, many people believed that reductions in payments by Medicare and Medicaid resulted in dollar-for-dollar increases in private payer outlays. In this zero-sum game environment, the cost of care itself was deemed constant for any particular period of time, and as one payer “underpaid” hospitals and other health care providers, other payers made up the slack.

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<sup>3</sup> C. Carlson, G. Giese, and S. Armstrong. Analysis of the Impacts of the ACA Tax on Health Insurance in 2018 and Beyond--Revised Oliver Wyman. October 10, 2017

<sup>4</sup> Carlson, Giese, and Armstrong. *Supra*.

<sup>5</sup> <https://www.medicaid.gov/medicaid/financing-and-reimbursement/>

The research, however, tells a different story. We found studies showing that the magnitude of government spending reductions actually shifted to private payers ranged from as low as 17% to as high as 59%. In one study, certain iterations of a model showed no discernible effect on private payers.

In actual practice, states may take a combination of actions in response to higher-than-expected costs (or lower-than-expected revenues). First, they may reduce payments to hospitals, physicians, and other providers. Second, they may reduce optional services under Medicaid, such as cutting adult dental care or not including certain prescription drugs on their preferred drug lists. States may also reduce spending in other parts of their budgets or raise taxes. As states reduce payments to hospitals, for example, those hospitals, in turn, will try to shift as much of that burden to private payers as possible.

Professor Vivian Wu studied the impact of the reductions in Medicare payments to hospitals resulting from the Balanced Budget Act of 1997. Using Medicare cost report data, Wu examined the impact on private market prices of the Medicare spending reductions. Wu ran her model controlling for different levels of hospital competition in different markets, the share of for-profit hospitals in the markets, and the public/private payer mix. She also considered the independent effect of hospital ownership type, level and change in HMO market penetration, hospital occupancy rates, teaching, and hospital market concentration. She used both Medicare prices as an independent variable and also Medicare revenues. On average, examining a number of specifications of the model, she found that hospitals shifted 21 cents of each Medicare dollar lost to private payers. An interesting finding was that a one-standard deviation increase in hospitals' bargaining power increased the cost-shifting rate to 33 cents on the dollar.<sup>6</sup>

Framing the limits of the cost-shift proportions found in this review, a study by Zwanziger, Melnick, and Bamazai found that a 1% decrease in Medicare payments to hospitals led to percentage increases in payments from private payers that ranged from 0.17% to 0.59%.<sup>7</sup>

An illustration of the wide variation in possible cost-shifting outcomes emerges from the early work of Professor David Cutler on this subject. Constructing what he called a measure of the "Medicare bite," Cutler examined the impact of the federal government's Budget Reconciliation Acts over two five-year periods. Reductions in the "update factor" that was designed in prospective payment for Medicare, compared to what was called for to make hospitals whole for increases in the prices of inputs, created revenue shortfalls for hospitals. The Medicare bite was the gap between the growth of the hospital market-basket cost and the actual growth of Medicare payments, multiplied by the number of Medicare patients in a hospital during a given year. Cutler found that hospitals were able to shift their costs dollar-for-dollar during the first five years but in the second five-year period (1990-1995), he could not detect any cost-shifting. The conclusion was that a shift to managed care policies and other cost-reducing measures undertaken by payers mostly replaced cost-shifting.<sup>8</sup>

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<sup>6</sup> V. Wu. Hospital Cost Shifting Revisited: New Evidence from the Balanced Budget Act of 1997. *International Journal of Health Care Finance and Economics* 2009.

<sup>7</sup> J. Zwanziger, G. Melnick, A. Bamezai. Hospital Performance: Can Cost-Shifting Continue in a Price Competitive Environment? *Health Economics* 2000; 9:211-25.

<sup>8</sup> D Cutler. Cost Shifting or Cost Cutting? The Incidence of Reductions in Medicare Payments. *Tax Policy and the Economy*. 1998;12:1-27.

Professor Austin Frakt, who writes the widely read blog, “The Incidental Economist,” prepared an excellent summary of the literature on the magnitude of the cost-shift.<sup>9</sup> After reviewing the findings of dozens of studies on cost-shifting, Frakt concludes that: “...cost-shifting is just one of many possible responses to shortfalls in public payments to hospitals (another is cost-cutting). Moreover, private payment-to-cost margins change for many reasons other than cost-shifting (another is changes in the balance between hospitals’ and health plans’ market power).”<sup>10</sup>

Some of the research covers only reductions in Medicare spending, and some encompasses both Medicare and Medicaid. Moreover, the timeframes and the research methodologies differ. Therefore, our range of estimates should be considered an approximation that provides what we believe is a reasonable estimate of the order of magnitude of the likely cost-shift in response to an increase in Medicaid spending resulting from the HIT.

***The bulk of the findings were in the range of about 20%-50%. Therefore, we adopted these figures as our “low” and “high” estimates of the amount of the public sector health spending increase that is shifted to private payers.***

**The size of the shift from employers to employees.** The shift in cost from public to private payers will lead to further cost-shifting. Here we concentrate on the shift from employers to employees that occurs as firms adjust the mix of their total employee compensation in response to the higher health benefit costs. In the large-group and small-group markets, employers are “writing the checks” for health care, either through direct payments and the costs of a third-party administrator (TPA) in the case of self-insured employers, or through paying premiums to health insurers in the case of purchased insurance coverage. But apart from who is writing the checks, who is really paying?

Linda Blumberg of the Urban Institute has compiled the most comprehensive review of the studies on this issue. Blumberg stresses the importance of accounting for the selection of workers into certain jobs and finds a strong negative relationship between increases in the cost of health insurance and wages and salaries.<sup>11</sup> For example, a study by Eberts and Stone found that an additional dollar of health benefits was associated with an 83% reduction in teachers’ salaries.<sup>12</sup>

Jonathan Gruber and Alan Krueger used increases in costs for Workers Compensation insurance to quantify the costs passed back to workers by employers. Depending on the groups of industries studied, they found that 56%-85% of these costs were shifted back to workers through reduced wages.<sup>13</sup> Another study by Gruber focused on state and federal mandates for maternity benefits. Using a small group of

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<sup>9</sup> A. Frakt. How Much Do Hospitals Cost Shift? A review of the Evidence. *The Milbank Quarterly* 2011 Mar; 89(1):90-130.

<sup>10</sup> Frakt. *Supra*.

<sup>11</sup> L. Blumberg. Perspective: Who Pays for Employer-Sponsored Health Insurance? *Health Affairs* 18, no. 6 (1999):58-61.

<sup>12</sup> R. Eberts and J Stone, Wages, Fringe Benefits, and Working Conditions: An Analysis of Compensating Differentials. *Southern Economic Journal* 52, no. 1 (1985):274-280.

<sup>13</sup> J. Gruber and A.B. Krueger. The Incidence of Mandated Employer-Provided Insurance: Lessons from Workers Compensation Insurance. *Tax Policy and the Economy*, ed. D. Bradford (Cambridge, MA. MIT Press). 1991.

states that had such mandates prior to the federal mandates, he found that 59%-90% of the cost of the mandates was passed back to workers in the form of reduced wages (75% for full-time workers).<sup>14</sup>

***In light of this research, we adopt the assumption that 80% of the increase in the cost of employer group health insurance will be passed back to workers.***

An important implication of this assumption is that both the federal government and the states will incur a loss of revenue. This occurs because wages and salaries are taxable to the employee while employer contributions to employee group health insurance are not taxable to the employee. Our study estimates the income tax revenue loss from this impact. There would also be a decline in payroll tax revenue, but we do not estimate this effect.

At this time, we view the “Cadillac tax” provision in ACA as a sort of “placeholder” for possible future consideration, and we therefore assume that employer contributions will continue to be fully excluded by employees from their federal and state income tax liability.

## National Impact of HIT Cost-Shift

### *10-Year Estimate of Additional Medicaid Premium to be Paid as a Result of HIT*

The additional Medicaid premium to be paid as a result of the HIT grows from \$4.78 billion in 2018 to more than \$8.08 billion by 2026. Of the more than \$62.74 billion cumulative increase in premiums over ten years, shown below, \$35.76 billion is covered by federal spending and \$26.98 billion is covered by spending by the states as a whole.

Increase in Medicaid Premiums under HIT (\$M)	
2018	\$4,780.6
2019	\$5,059.7
2020	\$5,356.5
2021	\$5,667.1
2022	\$5,994.6
2023	\$6,342.1
2024	\$6,713.5
2025	\$7,142.5
2026	\$7,598.9
2027	\$8,084.5
<b>10-Yr Impact</b>	<b>\$62,740.2</b>

### *HIT-Related Commercial Insurance Market Impact*

Under a high cost-shift scenario (50 percent), this Medicaid premium cost-shift would result in more than 36,400 private sector enrollees losing coverage in 2018, with average per capita premium costs rising by \$17, and total private sector premiums increasing \$2.39 billion in 2018. The cumulative ten-year increase in total premiums would be \$31.4 billion. Under a low cost-shift scenario (20 percent), this Medicaid premium cost-shift would result in more than 14,500 private sector enrollees losing coverage in 2018, with average per capita premium costs rising by \$7, and total private sector premiums

<sup>14</sup> J. Gruber. Health Insurance and the Labor Market. NBER Working Paper no. 6762 (Cambridge, MA. National Bureau of Economic Research. 1998).

increasing by nearly \$1 billion. The cumulative ten-year increase in total premiums would be more than \$12.5 billion.

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-36,491	-33,661	-34,283	-34,763	-35,111	-35,461	-35,829	-36,582	-37,230	-37,876
HIT-Related Increase in Avg. Premium	\$17	\$18	\$19	\$20	\$21	\$22	\$23	\$25	\$27	\$28
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$2,390.3</b>	<b>\$2,529.9</b>	<b>\$2,678.2</b>	<b>\$2,833.6</b>	<b>\$2,997.3</b>	<b>\$3,171.1</b>	<b>\$3,356.7</b>	<b>\$3,571.3</b>	<b>\$3,799.5</b>	<b>\$4,042.3</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$31,370.1</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-14,596	-13,465	-13,713	-13,905	-14,044	-14,184	-14,332	-14,633	-14,892	-15,150
HIT-Related Increase in Avg. Premium	\$7	\$7	\$7	\$8	\$8	\$9	\$9	\$10	\$11	\$11
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$956.1</b>	<b>\$1,011.9</b>	<b>\$1,071.3</b>	<b>\$1,133.4</b>	<b>\$1,198.9</b>	<b>\$1,268.4</b>	<b>\$1,342.7</b>	<b>\$1,428.5</b>	<b>\$1,519.8</b>	<b>\$1,616.9</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$12,548.0</b>

### HIT-Related Federal, State Income Tax Revenue Impact

The decline in federal income tax revenue is projected to range from \$121.2 million to \$303 million in 2018. The cumulative decline in federal income tax revenue over the period from 2018 to 2026 ranges between \$1.49 billion to more than \$3.74 billion.

The decline in state income tax revenue (nationwide) is projected to range from \$60.6 million to \$151.5 million in 2018. The cumulative decline in state tax revenue over the period from 2018 to 2026 ranges between \$748 million to more than \$1.87 billion.

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$303.0	-\$315.9	-\$330.2	-\$344.8	-\$360.3	-\$376.9	-\$394.7	-\$415.9	-\$438.4	-\$462.2
HIT-Related State Tax Revenue Impact (\$M)	-\$151.5	-\$158.0	-\$165.1	-\$172.4	-\$180.2	-\$188.5	-\$197.3	-\$208.0	-\$219.2	-\$231.1
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$3,742.4</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$1,871.3</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$121.2	-\$126.4	-\$132.1	-\$137.9	-\$144.1	-\$150.8	-\$157.9	-\$166.4	-\$175.4	-\$184.9
HIT-Related State Tax Revenue Impact (\$M)	-\$60.6	-\$63.2	-\$66.0	-\$69.0	-\$72.1	-\$75.4	-\$78.9	-\$83.2	-\$87.7	-\$92.5
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$1,496.9</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$748.5</b>

## Policy Implications

An important policy implication of our findings is that the re-imposition of the Health Insurance Tax will lead to several unanticipated negative effects. First, there will be an adverse impact on consumers, employers, and public sector programs that purchase health insurance. The Health Insurance Tax (HIT) is a non-deductible business expense. As a result, a total \$22 billion in premiums must be collected in order to obtain the after-tax funds to pay the \$14.3 billion in taxes in 2018.

Our findings show that, in effect, the federal government is taxing states – as well as itself. While Medicaid plans will pay the tax to the federal government initially, the states will fully cover the extra cost, with the federal government providing its Medicaid match for the HIT-related premium increases. This “boomerang” effect would limit the original intent of increasing federal revenue from private funding sources.

To the extent that states reduce payments to hospitals and other providers as Medicaid spending increases due to the HIT, those providers will try to shift that burden onto private payers, another

unintended consequence of the HIT. This will result in higher premiums and lower enrollment in private insurance markets.

In response to these higher premiums, there will be a small degree of job loss. Further, employers will shift a large portion of their higher health insurance costs to workers in the form of lower increases in wages and salaries than would otherwise occur. This results in a revenue loss to both the federal government and the states, as the mix of the employer's total employee compensation package shifts from wages, which are taxable to employees, to increased employer contributions to employee group health insurance, which are not taxable to workers.

In summary, the federal government will only net about \$11.3 billion in 2018 because the apparent federal revenue gains from the tax will be subject to substantial offsets. These offsets take the form of both new spending to cover the federal match for the HIT-related Medicaid premium increases and lost federal tax revenue as employers shift the total compensation from taxable wages to non-taxable, higher spending for employee group health insurance.

## ARIZONA



- The HIT will increase Medicaid premiums by \$19.8 million in 2018 and by \$259.2 million over 10 years.
- Public-to-private sector cost-shifting will increase commercial plan premiums by a range of \$4.0 to \$9.9 million in 2018 and by a range of \$51.8 to \$129.6 million over 10 years.
- Federal tax revenue from the state would decline by a range of \$6.2 to \$15.6 million over 10 years; state tax revenue would decline by a range of \$2.1 to \$5.2 million over 10 years.

### Impact on Medicaid health plans ends up being paid for by States, Federal Government

Increase in Medicaid Premiums under HIT (\$M)	
2018	\$19.8
2019	\$20.9
2020	\$22.1
2021	\$23.4
2022	\$24.8
2023	\$26.2
2024	\$27.7
2025	\$29.5
2026	\$31.4
2027	\$33.4
<b>10-Yr Impact</b>	<b>\$259.2</b>

- Of the \$19.8M in premiums collected by insurers associated with their Medicaid business in 2018, \$13.8M will be paid for by the federal government, and \$6M will be paid by the state.
- In Arizona, the additional Medicaid premium to be paid as a result of the HIT growth is more than \$259.2 million over the next 10 years.

### Public-to-Private Sector Cost-Shift Impact

This study assesses the indirect impacts on health care premiums in private markets, participation by consumers in those markets, and federal and state budget impacts resulting from the imposition of the HIT on state Medicaid programs. Assuming states reduce provider payments to address budget shortfalls, premiums for commercial insurance will increase as providers shift costs onto privately insured individuals. The changes in commercial insurance enrollment, changes in average premiums, and changes in total premiums, resulting from the cost-shift to commercial plans are presented under two scenarios – a “High Cost-Shift” (50%) and a “Low Cost-Shift” (20%) – based on a literature review. In addition, the federal and state income tax impacts due to reduced wages and employment are presented under both scenarios.

### HIT-Related Commercial Insurance Market Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-180	-172	-175	-178	-179	-181	-183	-187	-190	-193
HIT-Related Increase in Avg. Premium	\$4	\$4	\$5	\$5	\$5	\$6	\$6	\$6	\$7	\$7
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$9.9</b>	<b>\$10.5</b>	<b>\$11.1</b>	<b>\$11.7</b>	<b>\$12.4</b>	<b>\$13.1</b>	<b>\$13.9</b>	<b>\$14.8</b>	<b>\$15.7</b>	<b>\$16.7</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$129.6</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-72	-69	-70	-71	-72	-72	-73	-75	-76	-77
HIT-Related Increase in Avg. Premium	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$3	\$3
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$4.0</b>	<b>\$4.2</b>	<b>\$4.4</b>	<b>\$4.7</b>	<b>\$5.0</b>	<b>\$5.2</b>	<b>\$5.5</b>	<b>\$5.9</b>	<b>\$6.3</b>	<b>\$6.7</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$51.8</b>

### HIT-Related Federal, State Income Tax Revenue Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$1.3	-\$1.3	-\$1.4	-\$1.4	-\$1.5	-\$1.6	-\$1.6	-\$1.7	-\$1.8	-\$1.9
HIT-Related State Tax Revenue Impact (\$M)	-\$0.4	-\$0.4	-\$0.5	-\$0.5	-\$0.5	-\$0.5	-\$0.6	-\$0.6	-\$0.6	-\$0.6
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$15.6</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$5.2</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$0.5	-\$0.5	-\$0.6	-\$0.6	-\$0.6	-\$0.6	-\$0.7	-\$0.7	-\$0.7	-\$0.8
HIT-Related State Tax Revenue Impact (\$M)	-\$0.2	-\$0.2	-\$0.2	-\$0.2	-\$0.2	-\$0.2	-\$0.2	-\$0.2	-\$0.2	-\$0.3
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$6.2</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$2.1</b>

## CALIFORNIA



- The HIT will increase Medicaid premiums by \$488.8 million in 2018 and by \$6.4 billion over 10 years.
- Public-to-private sector cost-shifting will increase commercial plan premiums by a range of \$97.8 to \$244.4 million in 2018 and by a range of \$1.28 to \$3.21 billion over 10 years.
- Federal tax revenue from the state would decline by a range of \$148 to \$371 million over 10 years; state tax revenue would decline by a range of \$146 to \$365 million over 10 years.

### Impact on Medicaid health plans ends up being paid for by States, Federal Government

Increase in Medicaid Premiums under HIT (\$M)	
2018	\$488.8
2019	\$517.4
2020	\$547.7
2021	\$579.5
2022	\$612.9
2023	\$648.5
2024	\$686.5
2025	\$730.3
2026	\$777.0
2027	\$826.6
<b>10-Yr Impact</b>	<b>\$6,415.2</b>

- Of the \$488.8M in premiums collected by insurers associated with their Medicaid business in 2018, \$244.4M will be paid for by the federal government, and \$244.4M will be paid by the state.
- In California, the additional Medicaid premium to be paid as a result of the HIT growth is more than \$6.4 billion over the next 10 years.

### Public-to-Private Sector Cost-Shift Impact

This study assesses the indirect impacts on health care premiums in private markets, participation by consumers in those markets, and federal and state budget impacts resulting from the imposition of the HIT on state Medicaid programs. Assuming states reduce provider payments to address budget shortfalls, premiums for commercial insurance will increase as providers shift costs onto privately insured individuals. The changes in commercial insurance enrollment, changes in average premiums, and changes in total premiums, resulting from the cost-shift to commercial plans are presented under two scenarios – a “High Cost-Shift” (50%) and a “Low Cost-Shift” (20%) – based on a literature review. In addition, the federal and state income tax impacts due to reduced wages and employment are presented under both scenarios.

### HIT-Related Commercial Insurance Market Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-3,837	-3,635	-3,702	-3,755	-3,793	-3,832	-3,873	-3,956	-4,027	-4,098
HIT-Related Increase in Avg. Premium	\$14	\$15	\$16	\$17	\$18	\$19	\$20	\$21	\$23	\$24
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$244.4</b>	<b>\$258.7</b>	<b>\$273.9</b>	<b>\$289.7</b>	<b>\$306.5</b>	<b>\$324.2</b>	<b>\$343.2</b>	<b>\$365.2</b>	<b>\$388.5</b>	<b>\$413.3</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$3,207.6</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-1,535	-1,454	-1,481	-1,502	-1,517	-1,533	-1,549	-1,582	-1,611	-1,639
HIT-Related Increase in Avg. Premium	\$6	\$6	\$6	\$7	\$7	\$8	\$8	\$9	\$9	\$10
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$97.8</b>	<b>\$103.5</b>	<b>\$109.5</b>	<b>\$115.9</b>	<b>\$122.6</b>	<b>\$129.7</b>	<b>\$137.3</b>	<b>\$146.1</b>	<b>\$155.4</b>	<b>\$165.3</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$1,283.0</b>

### HIT-Related Federal, State Income Tax Revenue Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$30.0	-\$31.3	-\$32.7	-\$34.1	-\$35.7	-\$37.3	-\$39.1	-\$41.2	-\$43.4	-\$45.7
HIT-Related State Tax Revenue Impact (\$M)	-\$29.6	-\$30.8	-\$32.2	-\$33.6	-\$35.1	-\$36.8	-\$38.5	-\$40.5	-\$42.7	-\$45.1
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$370.5</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$365.0</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$12.0	-\$12.5	-\$13.1	-\$13.7	-\$14.3	-\$14.9	-\$15.6	-\$16.5	-\$17.4	-\$18.3
HIT-Related State Tax Revenue Impact (\$M)	-\$11.8	-\$12.3	-\$12.9	-\$13.5	-\$14.1	-\$14.7	-\$15.4	-\$16.2	-\$17.1	-\$18.0
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$148.2</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$146.0</b>

## COLORADO

- The HIT will increase Medicaid premiums by \$1.9 million in 2018 and by \$25.6 million over 10 years.
- Public-to-private sector cost-shifting will increase commercial plan premiums by a range of \$0.4 to \$1.0 million in 2018 and by a range of \$5.1 to \$12.8 million over 10 years.
- Federal tax revenue from the state would decline by a range of \$0.6 to \$1.5 million over 10 years; state tax revenue would decline by a range of \$0.2 to \$0.5 million over 10 years.

### Impact on Medicaid health plans ends up being paid for by States, Federal Government

Increase in Medicaid Premiums under HIT (\$M)	
2018	\$1.9
2019	\$2.1
2020	\$2.2
2021	\$2.3
2022	\$2.4
2023	\$2.6
2024	\$2.7
2025	\$2.9
2026	\$3.1
2027	\$3.3
<b>10-Yr Impact</b>	<b>\$25.6</b>

- Of the \$1.9M in premiums collected by insurers associated with their Medicaid business in 2018, \$0.97M will be paid for by the federal government, and \$0.97M will be paid by the state.
- In Colorado, the additional Medicaid premium to be paid as a result of the HIT growth is more than \$25.6 million over the next 10 years.

### Public-to-Private Sector Cost-Shift Impact

This study assesses the indirect impacts on health care premiums in private markets, participation by consumers in those markets, and federal and state budget impacts resulting from the imposition of the HIT on state Medicaid programs. Assuming states reduce provider payments to address budget shortfalls, premiums for commercial insurance will increase as providers shift costs onto privately insured individuals. The changes in commercial insurance enrollment, changes in average premiums, and changes in total premiums, resulting from the cost-shift to commercial plans are presented under two scenarios – a “High Cost-Shift” (50%) and a “Low Cost-Shift” (20%) – based on a literature review. In addition, the federal and state income tax impacts due to reduced wages and employment are presented under both scenarios.

### HIT-Related Commercial Insurance Market Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-17	-16	-16	-16	-16	-16	-17	-17	-17	-17
HIT-Related Increase in Avg. Premium	\$0	\$0	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$1.0</b>	<b>\$1.0</b>	<b>\$1.1</b>	<b>\$1.2</b>	<b>\$1.2</b>	<b>\$1.3</b>	<b>\$1.4</b>	<b>\$1.5</b>	<b>\$1.5</b>	<b>\$1.6</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$12.8</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-7	-6	-6	-6	-6	-7	-7	-7	-7	-7
HIT-Related Increase in Avg. Premium	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$0.4</b>	<b>\$0.4</b>	<b>\$0.4</b>	<b>\$0.5</b>	<b>\$0.5</b>	<b>\$0.5</b>	<b>\$0.5</b>	<b>\$0.6</b>	<b>\$0.6</b>	<b>\$0.7</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$5.1</b>

### HIT-Related Federal, State Income Tax Revenue Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$0.1	-\$0.1	-\$0.1	-\$0.1	-\$0.1	-\$0.2	-\$0.2	-\$0.2	-\$0.2	-\$0.2
HIT-Related State Tax Revenue Impact (\$M)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	-\$0.1	-\$0.1	-\$0.1	-\$0.1	-\$0.1
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$1.5</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$0.5</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	\$0.0	-\$0.1	-\$0.1	-\$0.1	-\$0.1	-\$0.1	-\$0.1	-\$0.1	-\$0.1	-\$0.1
HIT-Related State Tax Revenue Impact (\$M)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$0.6</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$0.2</b>

## DISTRICT OF COLUMBIA

- The HIT will increase Medicaid premiums by \$25.9 million in 2018 and by \$339.3 million over 10 years.
- Public-to-private sector cost-shifting will increase commercial plan premiums by a range of \$5.2 to \$12.9 million in 2018 and by a range of \$67.9 to \$169.6 million over 10 years.
- Federal tax revenue from the state would decline by a range of \$9.0 to \$22.6 million over 10 years; state tax revenue would not be impacted.

### Impact on Medicaid health plans ends up being paid for by States, Federal Government

Increase in Medicaid Premiums under HIT (\$M)	
2018	\$25.9
2019	\$27.4
2020	\$29.0
2021	\$30.6
2022	\$32.4
2023	\$34.3
2024	\$36.3
2025	\$38.6
2026	\$41.1
2027	\$43.7
<b>10-Yr Impact</b>	<b>\$339.3</b>

- Of the \$25.9M in premiums collected by insurers associated with their Medicaid business in 2018, \$18.1M will be paid for by the federal government, and \$7.8M will be paid by the District.
- In the District of Columbia, the additional Medicaid premium to be paid as a result of the HIT growth is more than \$339.3 million over the next 10 years.

### Public-to-Private Sector Cost-Shift Impact

This study assesses the indirect impacts on health care premiums in private markets, participation by consumers in those markets, and federal and state budget impacts resulting from the imposition of the HIT on state Medicaid programs. Assuming states reduce provider payments to address budget shortfalls, premiums for commercial insurance will increase as providers shift costs onto privately insured individuals. The changes in commercial insurance enrollment, changes in average premiums, and changes in total premiums, resulting from the cost-shift to commercial plans are presented under two scenarios – a “High Cost-Shift” (50%) and a “Low Cost-Shift” (20%) – based on a literature review. In addition, the federal and state income tax impacts due to reduced wages and employment are presented under both scenarios.

### HIT-Related Commercial Insurance Market Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-131	-100	-102	-103	-104	-105	-105	-107	-109	-111
HIT-Related Increase in Avg. Premium	\$22	\$23	\$24	\$26	\$27	\$29	\$31	\$32	\$35	\$37
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$12.9</b>	<b>\$13.7</b>	<b>\$14.5</b>	<b>\$15.3</b>	<b>\$16.2</b>	<b>\$17.1</b>	<b>\$18.2</b>	<b>\$19.3</b>	<b>\$20.5</b>	<b>\$21.9</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$169.6</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-53	-40	-41	-41	-42	-42	-42	-43	-44	-44
HIT-Related Increase in Avg. Premium	\$9	\$9	\$10	\$10	\$11	\$12	\$12	\$13	\$14	\$15
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$5.2</b>	<b>\$5.5</b>	<b>\$5.8</b>	<b>\$6.1</b>	<b>\$6.5</b>	<b>\$6.9</b>	<b>\$7.3</b>	<b>\$7.7</b>	<b>\$8.2</b>	<b>\$8.7</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$67.9</b>

### HIT-Related Federal, State Income Tax Revenue Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$1.8	-\$1.9	-\$2.0	-\$2.1	-\$2.2	-\$2.3	-\$2.4	-\$2.5	-\$2.6	-\$2.8
HIT-Related State Tax Revenue Impact (\$M)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$22.6</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>N/A</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$0.7	-\$0.8	-\$0.8	-\$0.8	-\$0.9	-\$0.9	-\$1.0	-\$1.0	-\$1.1	-\$1.1
HIT-Related State Tax Revenue Impact (\$M)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$9.0</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>N/A</b>

## FLORIDA



- The HIT will increase Medicaid premiums by \$406.4 million in 2018 and by \$5.33 billion over 10 years.
- Public-to-private sector cost-shifting will increase commercial plan premiums by a range of \$81.3 to \$203.2 million in 2018 and by a range of \$1.07 billion to \$2.67 billion over 10 years.
- Federal tax revenue from the state would decline by a range of \$119.3 to \$298.1 million; state tax revenue would not be impacted.

### Impact on Medicaid health plans ends up being paid for by States, Federal Government

Increase in Medicaid Premiums under HIT (\$M)	
2018	\$406.4
2019	\$430.2
2020	\$455.4
2021	\$481.8
2022	\$509.7
2023	\$539.2
2024	\$570.8
2025	\$607.2
2026	\$646.0
2027	\$687.3
<b>10-Yr Impact</b>	<b>\$5,334.0</b>

- Of the \$406.4M in premiums collected by insurers associated with their Medicaid business in 2018, \$251.1M will be paid for by the federal government, and \$155.3M will be paid by the state.
- In Florida, the additional Medicaid premium to be paid as a result of the HIT growth is more than \$5.3 billion over the next 10 years.

### Public-to-Private Sector Cost-Shift Impact

This study assesses the indirect impacts on health care premiums in private markets, participation by consumers in those markets, and federal and state budget impacts resulting from the imposition of the HIT on state Medicaid programs. Assuming states reduce provider payments to address budget shortfalls, premiums for commercial insurance will increase as providers shift costs onto privately insured individuals. The changes in commercial insurance enrollment, changes in average premiums, and changes in total premiums, resulting from the cost-shift to commercial plans are presented under two scenarios – a “High Cost-Shift” (50%) and a “Low Cost-Shift” (20%) – based on a literature review. In addition, the federal and state income tax impacts due to reduced wages and employment are presented under both scenarios.

### HIT-Related Commercial Insurance Market Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-4,030	-3,939	-4,001	-4,049	-4,083	-4,117	-4,152	-4,235	-4,304	-4,374
HIT-Related Increase in Avg. Premium	\$23	\$24	\$26	\$27	\$29	\$30	\$32	\$34	\$36	\$39
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$203.2</b>	<b>\$215.1</b>	<b>\$227.7</b>	<b>\$240.9</b>	<b>\$254.8</b>	<b>\$269.6</b>	<b>\$285.4</b>	<b>\$303.6</b>	<b>\$323.0</b>	<b>\$343.7</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$2,667.0</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-1,612	-1,576	-1,600	-1,620	-1,633	-1,647	-1,661	-1,694	-1,722	-1,750
HIT-Related Increase in Avg. Premium	\$9	\$10	\$10	\$11	\$11	\$12	\$13	\$14	\$15	\$15
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$81.3</b>	<b>\$86.0</b>	<b>\$91.1</b>	<b>\$96.4</b>	<b>\$101.9</b>	<b>\$107.8</b>	<b>\$114.2</b>	<b>\$121.4</b>	<b>\$129.2</b>	<b>\$137.5</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$1,066.8</b>

### HIT-Related Federal, State Income Tax Revenue Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$24.4	-\$25.3	-\$26.4	-\$27.5	-\$28.7	-\$30.0	-\$31.4	-\$33.0	-\$34.8	-\$36.6
HIT-Related State Tax Revenue Impact (\$M)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$298.1</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>N/A</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$9.8	-\$10.1	-\$10.6	-\$11.0	-\$11.5	-\$12.0	-\$12.5	-\$13.2	-\$13.9	-\$14.6
HIT-Related State Tax Revenue Impact (\$M)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$119.3</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>N/A</b>

## GEORGIA



- The HIT will increase Medicaid premiums by \$118.5 million in 2018 and by \$1.56 billion over 10 years.
- Public-to-private sector cost-shifting will increase commercial plan premiums by a range of \$23.7 to \$59.3 million in 2018 and by a range of \$311.1 to \$777.8 million over 10 years.
- Federal tax revenue from the state would decline by a range of \$33.8 to \$84.5 million over 10 years; state tax revenue would decline by a range of \$15.0 to \$37.6 million over 10 years.

### Impact on Medicaid health plans ends up being paid for by States, Federal Government

Increase in Medicaid Premiums under HIT (\$M)	
2018	\$118.5
2019	\$125.5
2020	\$132.8
2021	\$140.5
2022	\$148.6
2023	\$157.2
2024	\$166.5
2025	\$177.1
2026	\$188.4
2027	\$200.4
<b>10-Yr Impact</b>	<b>\$1,555.6</b>

- Of the \$118.5M in premiums collected by insurers associated with their Medicaid business in 2018, \$81.2M will be paid for by the federal government, and \$37.3M will be paid by the state.
- In Georgia, the additional Medicaid premium to be paid as a result of the HIT growth is more than \$1.55 billion over the next 10 years.

### Public-to-Private Sector Cost-Shift Impact

This study assesses the indirect impacts on health care premiums in private markets, participation by consumers in those markets, and federal and state budget impacts resulting from the imposition of the HIT on state Medicaid programs. Assuming states reduce provider payments to address budget shortfalls, premiums for commercial insurance will increase as providers shift costs onto privately insured individuals. The changes in commercial insurance enrollment, changes in average premiums, and changes in total premiums, resulting from the cost-shift to commercial plans are presented under two scenarios – a “High Cost-Shift” (50%) and a “Low Cost-Shift” (20%) – based on a literature review. In addition, the federal and state income tax impacts due to reduced wages and employment are presented under both scenarios.

### HIT-Related Commercial Insurance Market Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-1,142	-1,127	-1,146	-1,161	-1,171	-1,182	-1,193	-1,217	-1,238	-1,259
HIT-Related Increase in Avg. Premium	\$14	\$15	\$15	\$16	\$17	\$18	\$19	\$21	\$22	\$23
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$59.3</b>	<b>\$62.7</b>	<b>\$66.4</b>	<b>\$70.3</b>	<b>\$74.3</b>	<b>\$78.6</b>	<b>\$83.2</b>	<b>\$88.5</b>	<b>\$94.2</b>	<b>\$100.2</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$777.8</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-457	-451	-458	-464	-468	-473	-477	-487	-495	-504
HIT-Related Increase in Avg. Premium	\$6	\$6	\$6	\$7	\$7	\$7	\$8	\$8	\$9	\$9
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$23.7</b>	<b>\$25.1</b>	<b>\$26.6</b>	<b>\$28.1</b>	<b>\$29.7</b>	<b>\$31.4</b>	<b>\$33.3</b>	<b>\$35.4</b>	<b>\$37.7</b>	<b>\$40.1</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$311.1</b>

### HIT-Related Federal, State Income Tax Revenue Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$6.9	-\$7.2	-\$7.5	-\$7.8	-\$8.1	-\$8.5	-\$8.9	-\$9.4	-\$9.9	-\$10.4
HIT-Related State Tax Revenue Impact (\$M)	-\$3.1	-\$3.2	-\$3.3	-\$3.5	-\$3.6	-\$3.8	-\$4.0	-\$4.2	-\$4.4	-\$4.6
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$84.5</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$37.6</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$2.8	-\$2.9	-\$3.0	-\$3.1	-\$3.3	-\$3.4	-\$3.6	-\$3.7	-\$3.9	-\$4.2
HIT-Related State Tax Revenue Impact (\$M)	-\$1.2	-\$1.3	-\$1.3	-\$1.4	-\$1.4	-\$1.5	-\$1.6	-\$1.7	-\$1.8	-\$1.8
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$33.8</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$15.0</b>

## HAWAII



- The HIT will increase Medicaid premiums by \$21.2 million in 2018 and by \$278.5 million over 10 years.
- Public-to-private sector cost-shifting will increase commercial plan premiums by a range of \$4.2 to \$10.6 million in 2018 and by a range of \$55.7 to \$139.2 million over 10 years.
- Federal tax revenue from the state would decline by a range of \$7.4 to \$18.6 million over 10 years; state tax revenue would decline by a range of \$4.5 to \$11.4 million over 10 years.

### Impact on Medicaid health plans ends up being paid for by States, Federal Government

Increase in Medicaid Premiums under HIT (\$M)	
2018	\$21.2
2019	\$22.5
2020	\$23.8
2021	\$25.2
2022	\$26.6
2023	\$28.2
2024	\$29.8
2025	\$31.7
2026	\$33.7
2027	\$35.9
<b>10-Yr Impact</b>	<b>\$278.5</b>

- Of the \$21.2M in premiums collected by insurers associated with their Medicaid business in 2018, \$11.6M will be paid for by the federal government, and \$9.6M will be paid by the state.
- In Hawaii, the additional Medicaid premium to be paid as a result of the HIT growth is more than \$278 million over the next 10 years.

### Public-to-Private Sector Cost-Shift Impact

This study assesses the indirect impacts on health care premiums in private markets, participation by consumers in those markets, and federal and state budget impacts resulting from the imposition of the HIT on state Medicaid programs. Assuming states reduce provider payments to address budget shortfalls, premiums for commercial insurance will increase as providers shift costs onto privately insured individuals. The changes in commercial insurance enrollment, changes in average premiums, and changes in total premiums, resulting from the cost-shift to commercial plans are presented under two scenarios – a “High Cost-Shift” (50%) and a “Low Cost-Shift” (20%) – based on a literature review. In addition, the federal and state income tax impacts due to reduced wages and employment are presented under both scenarios.

### HIT-Related Commercial Insurance Market Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-123	-100	-102	-104	-105	-106	-108	-110	-112	-115
HIT-Related Increase in Avg. Premium	\$15	\$16	\$17	\$18	\$19	\$20	\$21	\$22	\$24	\$25
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$10.6</b>	<b>\$11.2</b>	<b>\$11.9</b>	<b>\$12.6</b>	<b>\$13.3</b>	<b>\$14.1</b>	<b>\$14.9</b>	<b>\$15.9</b>	<b>\$16.9</b>	<b>\$17.9</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$139.2</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-49	-40	-41	-42	-42	-43	-43	-44	-45	-46
HIT-Related Increase in Avg. Premium	\$6	\$6	\$7	\$7	\$8	\$8	\$8	\$9	\$10	\$10
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$4.2</b>	<b>\$4.5</b>	<b>\$4.8</b>	<b>\$5.0</b>	<b>\$5.3</b>	<b>\$5.6</b>	<b>\$6.0</b>	<b>\$6.3</b>	<b>\$6.7</b>	<b>\$7.2</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$55.7</b>

### HIT-Related Federal, State Income Tax Revenue Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$1.5	-\$1.6	-\$1.6	-\$1.7	-\$1.8	-\$1.9	-\$2.0	-\$2.1	-\$2.2	-\$2.3
HIT-Related State Tax Revenue Impact (\$M)	-\$0.9	-\$1.0	-\$1.0	-\$1.0	-\$1.1	-\$1.1	-\$1.2	-\$1.3	-\$1.3	-\$1.4
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$18.6</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$11.4</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$0.6	-\$0.6	-\$0.7	-\$0.7	-\$0.7	-\$0.8	-\$0.8	-\$0.8	-\$0.9	-\$0.9
HIT-Related State Tax Revenue Impact (\$M)	-\$0.4	-\$0.4	-\$0.4	-\$0.4	-\$0.4	-\$0.5	-\$0.5	-\$0.5	-\$0.5	-\$0.6
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$7.4</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$4.5</b>

## ILLINOIS



- The HIT will increase Medicaid premiums by \$189.4 million in 2018 and by \$2.49 billion over 10 years.
- Public-to-private sector cost-shifting will increase commercial plan premiums by a range of \$37.9 to \$94.7 million in 2018 and by a range of \$497 million to \$1.24 billion over 10 years.
- Federal tax revenue from the state would decline by a range of \$60.9 to \$152.2 million over 10 years; state tax revenue would decline by a range of \$16.9 to \$42.3 million over 10 years.

### Impact on Medicaid health plans ends up being paid for by States, Federal Government

Increase in Medicaid Premiums under HIT (\$M)	
2018	\$189.4
2019	\$200.4
2020	\$212.2
2021	\$224.5
2022	\$237.4
2023	\$251.2
2024	\$265.9
2025	\$282.9
2026	\$301.0
2027	\$320.2
<b>10-Yr Impact</b>	<b>\$2,485.1</b>

- Of the \$189.4M in premiums collected by insurers associated with their Medicaid business in 2018, \$96.1M will be paid for by the federal government, and \$93.3M will be paid by the state.
- In Illinois, the additional Medicaid premium to be paid as a result of the HIT growth is more than \$2.48 billion over the next 10 years.

### Public-to-Private Sector Cost-Shift Impact

This study assesses the indirect impacts on health care premiums in private markets, participation by consumers in those markets, and federal and state budget impacts resulting from the imposition of the HIT on state Medicaid programs. Assuming states reduce provider payments to address budget shortfalls, premiums for commercial insurance will increase as providers shift costs onto privately insured individuals. The changes in commercial insurance enrollment, changes in average premiums, and changes in total premiums, resulting from the cost-shift to commercial plans are presented under two scenarios – a “High Cost-Shift” (50%) and a “Low Cost-Shift” (20%) – based on a literature review. In addition, the federal and state income tax impacts due to reduced wages and employment are presented under both scenarios.

### HIT-Related Commercial Insurance Market Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-1,426	-1,299	-1,323	-1,342	-1,355	-1,369	-1,383	-1,412	-1,437	-1,462
HIT-Related Increase in Avg. Premium	\$16	\$17	\$18	\$19	\$20	\$21	\$22	\$23	\$25	\$27
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$94.7</b>	<b>\$100.2</b>	<b>\$106.1</b>	<b>\$112.2</b>	<b>\$118.7</b>	<b>\$125.6</b>	<b>\$133.0</b>	<b>\$141.5</b>	<b>\$150.5</b>	<b>\$160.1</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$1,242.6</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-570	-519	-529	-537	-542	-548	-553	-565	-575	-585
HIT-Related Increase in Avg. Premium	\$6	\$7	\$7	\$7	\$8	\$8	\$9	\$9	\$10	\$11
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$37.9</b>	<b>\$40.1</b>	<b>\$42.4</b>	<b>\$44.9</b>	<b>\$47.5</b>	<b>\$50.2</b>	<b>\$53.2</b>	<b>\$56.6</b>	<b>\$60.2</b>	<b>\$64.0</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$497.0</b>

### HIT-Related Federal, State Income Tax Revenue Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$12.3	-\$12.8	-\$13.4	-\$14.0	-\$14.7	-\$15.3	-\$16.1	-\$16.9	-\$17.8	-\$18.8
HIT-Related State Tax Revenue Impact (\$M)	-\$3.4	-\$3.6	-\$3.7	-\$3.9	-\$4.1	-\$4.3	-\$4.5	-\$4.7	-\$5.0	-\$5.2
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$152.2</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$42.3</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$4.9	-\$5.1	-\$5.4	-\$5.6	-\$5.9	-\$6.1	-\$6.4	-\$6.8	-\$7.1	-\$7.5
HIT-Related State Tax Revenue Impact (\$M)	-\$1.4	-\$1.4	-\$1.5	-\$1.6	-\$1.6	-\$1.7	-\$1.8	-\$1.9	-\$2.0	-\$2.1
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$60.9</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$16.9</b>

## INDIANA

- The HIT will increase Medicaid premiums by \$97.2 million in 2018 and by \$1.28 billion over 10 years.
- Public-to-private sector cost-shifting will increase commercial plan premiums by a range of \$19.4 to \$48.6 million in 2018 and by a range of \$255.2 to \$638.0 million over 10 years.
- Federal tax revenue from the state would decline by a range of \$31.8 to \$79.5 million over 10 years; state tax revenue would decline by a range of \$7.6 to \$19.0 million over 10 years.



### Impact on Medicaid health plans ends up being paid for by States, Federal Government

Increase in Medicaid Premiums under HIT (\$M)	
2018	\$97.2
2019	\$102.9
2020	\$108.9
2021	\$115.3
2022	\$121.9
2023	\$129.0
2024	\$136.5
2025	\$145.3
2026	\$154.5
2027	\$164.4
<b>10-Yr Impact</b>	<b>\$1,276.0</b>

- Of the \$97.2M in premiums collected by insurers associated with their Medicaid business in 2018, \$63.8M will be paid for by the federal government, and \$33.4M will be paid by the state.
- In Indiana, the additional Medicaid premium to be paid as a result of the HIT growth is more than \$1.27 billion over the next 10 years.

### Public-to-Private Sector Cost-Shift Impact

This study assesses the indirect impacts on health care premiums in private markets, participation by consumers in those markets, and federal and state budget impacts resulting from the imposition of the HIT on state Medicaid programs. Assuming states reduce provider payments to address budget shortfalls, premiums for commercial insurance will increase as providers shift costs onto privately insured individuals. The changes in commercial insurance enrollment, changes in average premiums, and changes in total premiums, resulting from the cost-shift to commercial plans are presented under two scenarios – a “High Cost-Shift” (50%) and a “Low Cost-Shift” (20%) – based on a literature review. In addition, the federal and state income tax impacts due to reduced wages and employment are presented under both scenarios.

### HIT-Related Commercial Insurance Market Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-648	-564	-575	-583	-588	-594	-601	-613	-624	-635
HIT-Related Increase in Avg. Premium	\$16	\$17	\$18	\$19	\$20	\$21	\$22	\$23	\$25	\$27
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$48.6</b>	<b>\$51.5</b>	<b>\$54.5</b>	<b>\$57.6</b>	<b>\$61.0</b>	<b>\$64.5</b>	<b>\$68.3</b>	<b>\$72.6</b>	<b>\$77.3</b>	<b>\$82.2</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$638.0</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-259	-226	-230	-233	-235	-238	-240	-245	-250	-254
HIT-Related Increase in Avg. Premium	\$6	\$7	\$7	\$7	\$8	\$8	\$9	\$9	\$10	\$11
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$19.4</b>	<b>\$20.6</b>	<b>\$21.8</b>	<b>\$23.1</b>	<b>\$24.4</b>	<b>\$25.8</b>	<b>\$27.3</b>	<b>\$29.1</b>	<b>\$30.9</b>	<b>\$32.9</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$255.2</b>

### HIT-Related Federal, State Income Tax Revenue Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$6.4	-\$6.7	-\$7.0	-\$7.3	-\$7.6	-\$8.0	-\$8.4	-\$8.8	-\$9.3	-\$9.8
HIT-Related State Tax Revenue Impact (\$M)	-\$1.5	-\$1.6	-\$1.7	-\$1.8	-\$1.8	-\$1.9	-\$2.0	-\$2.1	-\$2.2	-\$2.4
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$79.5</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$19.0</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$2.6	-\$2.7	-\$2.8	-\$2.9	-\$3.1	-\$3.2	-\$3.4	-\$3.5	-\$3.7	-\$3.9
HIT-Related State Tax Revenue Impact (\$M)	-\$0.6	-\$0.6	-\$0.7	-\$0.7	-\$0.7	-\$0.8	-\$0.8	-\$0.8	-\$0.9	-\$0.9
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$31.8</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$7.6</b>

## IOWA



- The HIT will increase Medicaid premiums by \$89.6 million in 2018 and by \$1.18 billion over 10 years.
- Public-to-private sector cost-shifting will increase commercial plan premiums by a range of \$17.9 to \$44.8 million in 2018 and by a range of \$235.2 to \$587.9 million over 10 years.
- Federal tax revenue from the state would decline by a range of \$27.7 to \$69.3 million over 10 years; state tax revenue would decline by a range of \$18.4 to \$46.1 million over 10 years.

### Impact on Medicaid health plans ends up being paid for by States, Federal Government

Increase in Medicaid Premiums under HIT (\$M)	
2018	\$89.6
2019	\$94.8
2020	\$100.4
2021	\$106.2
2022	\$112.3
2023	\$118.9
2024	\$125.8
2025	\$133.9
2026	\$142.4
2027	\$151.5
<b>10-Yr Impact</b>	<b>\$1,175.8</b>

- Of the \$89.6M in premiums collected by insurers associated with their Medicaid business in 2018, \$52.4M will be paid for by the federal government, and \$37.2M will be paid by the state.
- In Iowa, the additional Medicaid premium to be paid as a result of the HIT growth is more than \$1.17 billion over the next 10 years.

### Public-to-Private Sector Cost-Shift Impact

This study assesses the indirect impacts on health care premiums in private markets, participation by consumers in those markets, and federal and state budget impacts resulting from the imposition of the HIT on state Medicaid programs. Assuming states reduce provider payments to address budget shortfalls, premiums for commercial insurance will increase as providers shift costs onto privately insured individuals. The changes in commercial insurance enrollment, changes in average premiums, and changes in total premiums, resulting from the cost-shift to commercial plans are presented under two scenarios – a “High Cost-Shift” (50%) and a “Low Cost-Shift” (20%) – based on a literature review. In addition, the federal and state income tax impacts due to reduced wages and employment are presented under both scenarios.

### HIT-Related Commercial Insurance Market Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-794	-747	-759	-769	-776	-782	-790	-805	-819	-832
HIT-Related Increase in Avg. Premium	\$30	\$32	\$34	\$36	\$38	\$40	\$42	\$45	\$48	\$51
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$44.8</b>	<b>\$47.4</b>	<b>\$50.2</b>	<b>\$53.1</b>	<b>\$56.2</b>	<b>\$59.4</b>	<b>\$62.9</b>	<b>\$66.9</b>	<b>\$71.2</b>	<b>\$75.8</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$587.9</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-318	-299	-304	-308	-310	-313	-316	-322	-328	-333
HIT-Related Increase in Avg. Premium	\$12	\$13	\$13	\$14	\$15	\$16	\$17	\$18	\$19	\$20
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$17.9</b>	<b>\$19.0</b>	<b>\$20.1</b>	<b>\$21.2</b>	<b>\$22.5</b>	<b>\$23.8</b>	<b>\$25.2</b>	<b>\$26.8</b>	<b>\$28.5</b>	<b>\$30.3</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$235.2</b>

### HIT-Related Federal, State Income Tax Revenue Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$5.6	-\$5.9	-\$6.1	-\$6.4	-\$6.7	-\$7.0	-\$7.3	-\$7.7	-\$8.1	-\$8.5
HIT-Related State Tax Revenue Impact (\$M)	-\$3.8	-\$3.9	-\$4.1	-\$4.3	-\$4.4	-\$4.6	-\$4.9	-\$5.1	-\$5.4	-\$5.7
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$69.3</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$46.1</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$2.3	-\$2.4	-\$2.5	-\$2.6	-\$2.7	-\$2.8	-\$2.9	-\$3.1	-\$3.2	-\$3.4
HIT-Related State Tax Revenue Impact (\$M)	-\$1.5	-\$1.6	-\$1.6	-\$1.7	-\$1.8	-\$1.9	-\$1.9	-\$2.0	-\$2.2	-\$2.3
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$27.7</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$18.4</b>

## KANSAS



- The HIT will increase Medicaid premiums by \$90.5 million in 2018 and by \$1.19 billion over 10 years.
- Public-to-private sector cost-shifting will increase commercial plan premiums by a range of \$18.1 to \$45.2 million in 2018 and by a range of \$237.5 to \$593.8 million over 10 years.
- Federal tax revenue from the state would decline by a range of \$28.8 to \$72.0 million over 10 years; state tax revenue would decline by a range of \$9.8 to \$24.5 million over 10 years.

### Impact on Medicaid health plans ends up being paid for by States, Federal Government

Increase in Medicaid Premiums under HIT (\$M)	
2018	\$90.5
2019	\$95.8
2020	\$101.4
2021	\$107.3
2022	\$113.5
2023	\$120.0
2024	\$127.1
2025	\$135.2
2026	\$143.8
2027	\$153.0
<b>10-Yr Impact</b>	<b>\$1,187.5</b>

- Of the \$90.5M in premiums collected by insurers associated with their Medicaid business in 2018, \$49.5M will be paid for by the federal government, and \$41M will be paid by the state.
- In Kansas, the additional Medicaid premium to be paid as a result of the HIT growth is more than \$1.18 billion over the next 10 years.

### Public-to-Private Sector Cost-Shift Impact

This study assesses the indirect impacts on health care premiums in private markets, participation by consumers in those markets, and federal and state budget impacts resulting from the imposition of the HIT on state Medicaid programs. Assuming states reduce provider payments to address budget shortfalls, premiums for commercial insurance will increase as providers shift costs onto privately insured individuals. The changes in commercial insurance enrollment, changes in average premiums, and changes in total premiums, resulting from the cost-shift to commercial plans are presented under two scenarios – a “High Cost-Shift” (50%) and a “Low Cost-Shift” (20%) – based on a literature review. In addition, the federal and state income tax impacts due to reduced wages and employment are presented under both scenarios.

### HIT-Related Commercial Insurance Market Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-755	-704	-717	-728	-735	-742	-750	-766	-780	-793
HIT-Related Increase in Avg. Premium	\$32	\$33	\$35	\$37	\$40	\$42	\$44	\$47	\$50	\$53
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$45.2</b>	<b>\$47.9</b>	<b>\$50.7</b>	<b>\$53.6</b>	<b>\$56.7</b>	<b>\$60.0</b>	<b>\$63.5</b>	<b>\$67.6</b>	<b>\$71.9</b>	<b>\$76.5</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$593.8</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-302	-282	-287	-291	-294	-297	-300	-306	-312	-317
HIT-Related Increase in Avg. Premium	\$13	\$13	\$14	\$15	\$16	\$17	\$18	\$19	\$20	\$21
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$18.1</b>	<b>\$19.2</b>	<b>\$20.3</b>	<b>\$21.5</b>	<b>\$22.7</b>	<b>\$24.0</b>	<b>\$25.4</b>	<b>\$27.0</b>	<b>\$28.8</b>	<b>\$30.6</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$237.5</b>

### HIT-Related Federal, State Income Tax Revenue Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$5.8	-\$6.1	-\$6.4	-\$6.6	-\$6.9	-\$7.2	-\$7.6	-\$8.0	-\$8.4	-\$8.9
HIT-Related State Tax Revenue Impact (\$M)	-\$2.0	-\$2.1	-\$2.2	-\$2.3	-\$2.4	-\$2.5	-\$2.6	-\$2.7	-\$2.9	-\$3.0
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$72.0</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$24.5</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$2.3	-\$2.4	-\$2.5	-\$2.7	-\$2.8	-\$2.9	-\$3.0	-\$3.2	-\$3.4	-\$3.6
HIT-Related State Tax Revenue Impact (\$M)	-\$0.8	-\$0.8	-\$0.9	-\$0.9	-\$0.9	-\$1.0	-\$1.0	-\$1.1	-\$1.1	-\$1.2
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$28.8</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$9.8</b>

## KENTUCKY



- The HIT will increase Medicaid premiums by \$156.6 million in 2018 and by \$2.06 billion over 10 years.
- Public-to-private sector cost-shifting will increase commercial plan premiums by a range of \$31.3 to \$78.3 million in 2018 and by a range of \$411 million to \$1.03 billion over 10 years.
- Federal tax revenue from the state would decline by a range of \$50.8 to \$127.1 million over 10 years; state tax revenue would decline by a range of \$22.6 to \$56.5 million over 10 years.

### Impact on Medicaid health plans ends up being paid for by States, Federal Government

Increase in Medicaid Premiums under HIT (\$M)	
2018	\$156.6
2019	\$165.7
2020	\$175.5
2021	\$185.6
2022	\$196.4
2023	\$207.7
2024	\$219.9
2025	\$234.0
2026	\$248.9
2027	\$264.8
<b>10-Yr Impact</b>	<b>\$2,055.0</b>

- Of the \$156.6M in premiums collected by insurers associated with their Medicaid business in 2018, \$111.5M will be paid for by the federal government, and \$45.1M will be paid by the state.
- In Kentucky, the additional Medicaid premium to be paid as a result of the HIT growth is more than \$2.05 billion over the next 10 years.

### Public-to-Private Sector Cost-Shift Impact

This study assesses the indirect impacts on health care premiums in private markets, participation by consumers in those markets, and federal and state budget impacts resulting from the imposition of the HIT on state Medicaid programs. Assuming states reduce provider payments to address budget shortfalls, premiums for commercial insurance will increase as providers shift costs onto privately insured individuals. The changes in commercial insurance enrollment, changes in average premiums, and changes in total premiums, resulting from the cost-shift to commercial plans are presented under two scenarios – a “High Cost-Shift” (50%) and a “Low Cost-Shift” (20%) – based on a literature review. In addition, the federal and state income tax impacts due to reduced wages and employment are presented under both scenarios.

### HIT-Related Commercial Insurance Market Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-1,073	-958	-978	-994	-1,005	-1,017	-1,030	-1,053	-1,073	-1,093
HIT-Related Increase in Avg. Premium	\$40	\$42	\$44	\$47	\$50	\$53	\$56	\$59	\$63	\$67
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$78.3</b>	<b>\$82.9</b>	<b>\$87.7</b>	<b>\$92.8</b>	<b>\$98.2</b>	<b>\$103.9</b>	<b>\$109.9</b>	<b>\$117.0</b>	<b>\$124.5</b>	<b>\$132.4</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$1,027.5</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-429	-383	-391	-397	-402	-407	-412	-421	-429	-437
HIT-Related Increase in Avg. Premium	\$16	\$17	\$18	\$19	\$20	\$21	\$22	\$24	\$25	\$27
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$31.3</b>	<b>\$33.1</b>	<b>\$35.1</b>	<b>\$37.1</b>	<b>\$39.3</b>	<b>\$41.5</b>	<b>\$44.0</b>	<b>\$46.8</b>	<b>\$49.8</b>	<b>\$53.0</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$411.0</b>

### HIT-Related Federal, State Income Tax Revenue Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$10.2	-\$10.7	-\$11.2	-\$11.7	-\$12.2	-\$12.8	-\$13.4	-\$14.2	-\$14.9	-\$15.8
HIT-Related State Tax Revenue Impact (\$M)	-\$4.5	-\$4.7	-\$5.0	-\$5.2	-\$5.4	-\$5.7	-\$6.0	-\$6.3	-\$6.6	-\$7.0
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$127.1</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$56.5</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$4.1	-\$4.3	-\$4.5	-\$4.7	-\$4.9	-\$5.1	-\$5.4	-\$5.7	-\$6.0	-\$6.3
HIT-Related State Tax Revenue Impact (\$M)	-\$1.8	-\$1.9	-\$2.0	-\$2.1	-\$2.2	-\$2.3	-\$2.4	-\$2.5	-\$2.7	-\$2.8
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$50.8</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$22.6</b>

## LOUISIANA



- The HIT will increase Medicaid premiums by \$164.5 million in 2018 and by \$2.16 billion over 10 years.
- Public-to-private sector cost-shifting will increase commercial plan premiums by a range of \$32.9 to \$82.3 million in 2018 and by a range of \$431.8 million to \$1.08 billion over 10 years.
- Federal tax revenue from the state would decline by a range of \$49.8 to \$124.6 million over 10 years; state tax revenue would decline by a range of \$22.1 to \$55.4 million over 10 years.

### Impact on Medicaid health plans ends up being paid for by States, Federal Government

Increase in Medicaid Premiums under HIT (\$M)	
2018	\$164.5
2019	\$174.1
2020	\$184.3
2021	\$195.0
2022	\$206.3
2023	\$218.3
2024	\$231.0
2025	\$245.8
2026	\$261.5
2027	\$278.2
<b>10-Yr Impact</b>	<b>\$2,159.2</b>

- Of the \$164.5M in premiums collected by insurers associated with their Medicaid business in 2018, \$104.8M will be paid for by the federal government, and \$59.7M will be paid by the state.
- In Louisiana, the additional Medicaid premium to be paid as a result of the HIT growth is more than \$2.15 billion over the next 10 years.

### Public-to-Private Sector Cost-Shift Impact

This study assesses the indirect impacts on health care premiums in private markets, participation by consumers in those markets, and federal and state budget impacts resulting from the imposition of the HIT on state Medicaid programs. Assuming states reduce provider payments to address budget shortfalls, premiums for commercial insurance will increase as providers shift costs onto privately insured individuals. The changes in commercial insurance enrollment, changes in average premiums, and changes in total premiums, resulting from the cost-shift to commercial plans are presented under two scenarios – a “High Cost-Shift” (50%) and a “Low Cost-Shift” (20%) – based on a literature review. In addition, the federal and state income tax impacts due to reduced wages and employment are presented under both scenarios.

### HIT-Related Commercial Insurance Market Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-1,257	-1,173	-1,194	-1,210	-1,222	-1,234	-1,247	-1,273	-1,295	-1,318
HIT-Related Increase in Avg. Premium	\$43	\$45	\$48	\$50	\$53	\$57	\$60	\$64	\$68	\$72
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$82.3</b>	<b>\$87.1</b>	<b>\$92.2</b>	<b>\$97.5</b>	<b>\$103.2</b>	<b>\$109.1</b>	<b>\$115.5</b>	<b>\$122.9</b>	<b>\$130.8</b>	<b>\$139.1</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$1,079.6</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-503	-469	-478	-484	-489	-494	-499	-509	-518	-527
HIT-Related Increase in Avg. Premium	\$17	\$18	\$19	\$20	\$21	\$23	\$24	\$25	\$27	\$29
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$32.9</b>	<b>\$34.8</b>	<b>\$36.9</b>	<b>\$39.0</b>	<b>\$41.3</b>	<b>\$43.7</b>	<b>\$46.2</b>	<b>\$49.2</b>	<b>\$52.3</b>	<b>\$55.6</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$431.8</b>

### HIT-Related Federal, State Income Tax Revenue Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$10.1	-\$10.5	-\$11.0	-\$11.5	-\$12.0	-\$12.5	-\$13.1	-\$13.8	-\$14.6	-\$15.4
HIT-Related State Tax Revenue Impact (\$M)	-\$4.5	-\$4.7	-\$4.9	-\$5.1	-\$5.3	-\$5.6	-\$5.8	-\$6.1	-\$6.5	-\$6.8
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$124.6</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$55.4</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$4.1	-\$4.2	-\$4.4	-\$4.6	-\$4.8	-\$5.0	-\$5.3	-\$5.5	-\$5.8	-\$6.1
HIT-Related State Tax Revenue Impact (\$M)	-\$1.8	-\$1.9	-\$2.0	-\$2.0	-\$2.1	-\$2.2	-\$2.3	-\$2.5	-\$2.6	-\$2.7
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$49.8</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$22.1</b>

## MARYLAND



- The HIT will increase Medicaid premiums by \$100.2 million in 2018 and by \$1.31 billion over 10 years.
- Public-to-private sector cost-shifting will increase commercial plan premiums by a range of \$20.0 to \$50.1 million in 2018 and by a range of \$263.0 to \$657.4 million over 10 years.
- Federal tax revenue from the state would decline by a range of \$32.1 to \$80.1 million over 10 years; state tax revenue would decline by a range of \$13.7 to \$34.1 million over 10 years.

### Impact on Medicaid health plans ends up being paid for by States, Federal Government

Increase in Medicaid Premiums under HIT (\$M)	
2018	\$100.2
2019	\$106.0
2020	\$112.2
2021	\$118.8
2022	\$125.6
2023	\$132.9
2024	\$140.7
2025	\$149.7
2026	\$159.2
2027	\$169.4
<b>10-Yr Impact</b>	<b>\$1,314.8</b>

- Of the \$100.2M in premiums collected by insurers associated with their Medicaid business in 2018, \$50.1M will be paid for by the federal government, and \$50.1M will be paid by the state.
- In Maryland, the additional Medicaid premium to be paid as a result of the HIT growth is more than \$1.31 billion over the next 10 years.

### Public-to-Private Sector Cost-Shift Impact

This study assesses the indirect impacts on health care premiums in private markets, participation by consumers in those markets, and federal and state budget impacts resulting from the imposition of the HIT on state Medicaid programs. Assuming states reduce provider payments to address budget shortfalls, premiums for commercial insurance will increase as providers shift costs onto privately insured individuals. The changes in commercial insurance enrollment, changes in average premiums, and changes in total premiums, resulting from the cost-shift to commercial plans are presented under two scenarios – a “High Cost-Shift” (50%) and a “Low Cost-Shift” (20%) – based on a literature review. In addition, the federal and state income tax impacts due to reduced wages and employment are presented under both scenarios.

### HIT-Related Commercial Insurance Market Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-770	-714	-727	-736	-744	-751	-758	-774	-787	-800
HIT-Related Increase in Avg. Premium	\$20	\$21	\$23	\$24	\$25	\$27	\$28	\$30	\$32	\$34
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$50.1</b>	<b>\$53.0</b>	<b>\$56.1</b>	<b>\$59.4</b>	<b>\$62.8</b>	<b>\$66.5</b>	<b>\$70.3</b>	<b>\$74.8</b>	<b>\$79.6</b>	<b>\$84.7</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$657.4</b>

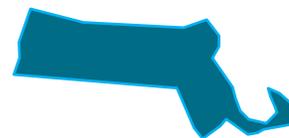
Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-308	-285	-291	-295	-297	-300	-303	-309	-315	-320
HIT-Related Increase in Avg. Premium	\$8	\$9	\$9	\$10	\$10	\$11	\$11	\$12	\$13	\$14
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$20.0</b>	<b>\$21.2</b>	<b>\$22.4</b>	<b>\$23.8</b>	<b>\$25.1</b>	<b>\$26.6</b>	<b>\$28.1</b>	<b>\$29.9</b>	<b>\$31.8</b>	<b>\$33.9</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$263.0</b>

### HIT-Related Federal, State Income Tax Revenue Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$6.5	-\$6.8	-\$7.1	-\$7.4	-\$7.7	-\$8.1	-\$8.5	-\$8.9	-\$9.4	-\$9.9
HIT-Related State Tax Revenue Impact (\$M)	-\$2.8	-\$2.9	-\$3.0	-\$3.1	-\$3.3	-\$3.4	-\$3.6	-\$3.8	-\$4.0	-\$4.2
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$80.1</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$34.1</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$2.6	-\$2.7	-\$2.8	-\$3.0	-\$3.1	-\$3.2	-\$3.4	-\$3.6	-\$3.8	-\$4.0
HIT-Related State Tax Revenue Impact (\$M)	-\$1.1	-\$1.2	-\$1.2	-\$1.3	-\$1.3	-\$1.4	-\$1.4	-\$1.5	-\$1.6	-\$1.7
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$32.1</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$13.7</b>

## MASSACHUSETTS



- The HIT will increase Medicaid premiums by \$30.7 million in 2018 and by \$402.8 million over 10 years.
- Public-to-private sector cost-shifting will increase commercial plan premiums by a range of \$6.1 to \$15.3 million in 2018 and by a range of \$80.6 to \$201.4 million over 10 years.
- Federal tax revenue from the state would decline by a range of \$10.6 to \$26.4 million over 10 years; state tax revenue would decline by a range of \$4.0 to \$10.0 million over 10 years.

### Impact on Medicaid health plans ends up being paid for by States, Federal Government

Increase in Medicaid Premiums under HIT (\$M)	
2018	\$30.7
2019	\$32.5
2020	\$34.4
2021	\$36.4
2022	\$38.5
2023	\$40.7
2024	\$43.1
2025	\$45.9
2026	\$48.8
2027	\$51.9
<b>10-Yr Impact</b>	<b>\$402.8</b>

- Of the \$30.7M in premiums collected by insurers associated with their Medicaid business in 2018, \$15.3M will be paid for by the federal government, and \$15.3M will be paid by the state.
- In Massachusetts, the additional Medicaid premium to be paid as a result of the HIT growth is more than \$402 million over the next 10 years.

### Public-to-Private Sector Cost-Shift Impact

This study assesses the indirect impacts on health care premiums in private markets, participation by consumers in those markets, and federal and state budget impacts resulting from the imposition of the HIT on state Medicaid programs. Assuming states reduce provider payments to address budget shortfalls, premiums for commercial insurance will increase as providers shift costs onto privately insured individuals. The changes in commercial insurance enrollment, changes in average premiums, and changes in total premiums, resulting from the cost-shift to commercial plans are presented under two scenarios – a “High Cost-Shift” (50%) and a “Low Cost-Shift” (20%) – based on a literature review. In addition, the federal and state income tax impacts due to reduced wages and employment are presented under both scenarios.

### HIT-Related Commercial Insurance Market Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-145	-104	-106	-107	-108	-109	-111	-113	-115	-117
HIT-Related Increase in Avg. Premium	\$4	\$4	\$4	\$5	\$5	\$5	\$5	\$6	\$6	\$6
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$15.3</b>	<b>\$16.2</b>	<b>\$17.2</b>	<b>\$18.2</b>	<b>\$19.2</b>	<b>\$20.4</b>	<b>\$21.6</b>	<b>\$22.9</b>	<b>\$24.4</b>	<b>\$26.0</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$201.4</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-58	-42	-42	-43	-43	-44	-44	-45	-46	-47
HIT-Related Increase in Avg. Premium	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$3
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$6.1</b>	<b>\$6.5</b>	<b>\$6.9</b>	<b>\$7.3</b>	<b>\$7.7</b>	<b>\$8.1</b>	<b>\$8.6</b>	<b>\$9.2</b>	<b>\$9.8</b>	<b>\$10.4</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$80.6</b>

### HIT-Related Federal, State Income Tax Revenue Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$2.1	-\$2.2	-\$2.3	-\$2.4	-\$2.5	-\$2.7	-\$2.8	-\$2.9	-\$3.1	-\$3.3
HIT-Related State Tax Revenue Impact (\$M)	-\$0.8	-\$0.8	-\$0.9	-\$0.9	-\$1.0	-\$1.0	-\$1.1	-\$1.1	-\$1.2	-\$1.2
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$26.4</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$10.0</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$0.8	-\$0.9	-\$0.9	-\$1.0	-\$1.0	-\$1.1	-\$1.1	-\$1.2	-\$1.2	-\$1.3
HIT-Related State Tax Revenue Impact (\$M)	-\$0.3	-\$0.3	-\$0.3	-\$0.4	-\$0.4	-\$0.4	-\$0.4	-\$0.4	-\$0.5	-\$0.5
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$10.6</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$4.0</b>

## MICHIGAN

- The HIT will increase Medicaid premiums by \$208.9 million in 2018 and by \$2.74 billion over 10 years.
- Public-to-private sector cost-shifting will increase commercial plan premiums by a range of \$41.8 to \$104.5 million in 2018 and by a range of \$548.4 million to \$1.37 billion over 10 years.
- Federal tax revenue from the state would decline by a range of \$66.7 to \$166.7 million over 10 years; state tax revenue would decline by a range of \$21.0 to \$52.5 million over 10 years.



### Impact on Medicaid health plans ends up being paid for by States, Federal Government

Increase in Medicaid Premiums under HIT (\$M)	
2018	\$208.9
2019	\$221.1
2020	\$234.1
2021	\$247.7
2022	\$262.0
2023	\$277.2
2024	\$293.4
2025	\$312.2
2026	\$332.1
2027	\$353.3
<b>10-Yr Impact</b>	<b>\$2,742.2</b>

- Of the \$208.9M in premiums collected by insurers associated with their Medicaid business in 2018, \$135.4M will be paid for by the federal government, and \$73.6M will be paid by the state.
- In Michigan, the additional Medicaid premium to be paid as a result of the HIT growth is more than \$2.74 billion over the next 10 years.

### Public-to-Private Sector Cost-Shift Impact

This study assesses the indirect impacts on health care premiums in private markets, participation by consumers in those markets, and federal and state budget impacts resulting from the imposition of the HIT on state Medicaid programs. Assuming states reduce provider payments to address budget shortfalls, premiums for commercial insurance will increase as providers shift costs onto privately insured individuals. The changes in commercial insurance enrollment, changes in average premiums, and changes in total premiums, resulting from the cost-shift to commercial plans are presented under two scenarios – a “High Cost-Shift” (50%) and a “Low Cost-Shift” (20%) – based on a literature review. In addition, the federal and state income tax impacts due to reduced wages and employment are presented under both scenarios.

### HIT-Related Commercial Insurance Market Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-1,733	-1,590	-1,619	-1,641	-1,657	-1,673	-1,690	-1,724	-1,754	-1,784
HIT-Related Increase in Avg. Premium	\$24	\$25	\$26	\$28	\$29	\$31	\$33	\$35	\$37	\$40
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$104.5</b>	<b>\$110.6</b>	<b>\$117.1</b>	<b>\$123.8</b>	<b>\$131.0</b>	<b>\$138.6</b>	<b>\$146.7</b>	<b>\$156.1</b>	<b>\$166.1</b>	<b>\$176.7</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$1,371.1</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-693	-636	-648	-656	-663	-669	-676	-690	-702	-714
HIT-Related Increase in Avg. Premium	\$9	\$10	\$11	\$11	\$12	\$12	\$13	\$14	\$15	\$16
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$41.8</b>	<b>\$44.2</b>	<b>\$46.8</b>	<b>\$49.5</b>	<b>\$52.4</b>	<b>\$55.4</b>	<b>\$58.7</b>	<b>\$62.4</b>	<b>\$66.4</b>	<b>\$70.7</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$548.4</b>

### HIT-Related Federal, State Income Tax Revenue Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$13.5	-\$14.1	-\$14.7	-\$15.4	-\$16.1	-\$16.8	-\$17.6	-\$18.5	-\$19.5	-\$20.6
HIT-Related State Tax Revenue Impact (\$M)	-\$4.3	-\$4.4	-\$4.6	-\$4.8	-\$5.1	-\$5.3	-\$5.5	-\$5.8	-\$6.1	-\$6.5
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$166.7</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$52.5</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$5.4	-\$5.6	-\$5.9	-\$6.1	-\$6.4	-\$6.7	-\$7.0	-\$7.4	-\$7.8	-\$8.2
HIT-Related State Tax Revenue Impact (\$M)	-\$1.7	-\$1.8	-\$1.9	-\$1.9	-\$2.0	-\$2.1	-\$2.2	-\$2.3	-\$2.5	-\$2.6
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$66.7</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$21.0</b>

## MINNESOTA



- The HIT will increase Medicaid premiums by \$74.0 million in 2018 and by \$970.7 million over 10 years.
- Public-to-private sector cost-shifting will increase commercial plan premiums by a range of \$14.8 to \$37.0 million in 2018 and by a range of \$194.1 to \$485.4 million over 10 years.
- Federal tax revenue from the state would decline by a range of \$23.8 to \$59.6 million over 10 years; state tax revenue would decline by a range of \$17.4 to \$43.5 million over 10 years.

### Impact on Medicaid health plans ends up being paid for by States, Federal Government

Increase in Medicaid Premiums under HIT (\$M)	
2018	\$74.0
2019	\$78.3
2020	\$82.9
2021	\$87.7
2022	\$92.7
2023	\$98.1
2024	\$103.9
2025	\$110.5
2026	\$117.6
2027	\$125.1
<b>10-Yr Impact</b>	<b>\$970.7</b>

- Of the \$74M in premiums collected by insurers associated with their Medicaid business in 2018, \$37M will be paid for by the federal government, and \$37M will be paid by the state.
- In Minnesota, the additional Medicaid premium to be paid as a result of the HIT growth is more than \$970 million over the next 10 years.

### Public-to-Private Sector Cost-Shift Impact

This study assesses the indirect impacts on health care premiums in private markets, participation by consumers in those markets, and federal and state budget impacts resulting from the imposition of the HIT on state Medicaid programs. Assuming states reduce provider payments to address budget shortfalls, premiums for commercial insurance will increase as providers shift costs onto privately insured individuals. The changes in commercial insurance enrollment, changes in average premiums, and changes in total premiums, resulting from the cost-shift to commercial plans are presented under two scenarios – a “High Cost-Shift” (50%) and a “Low Cost-Shift” (20%) – based on a literature review. In addition, the federal and state income tax impacts due to reduced wages and employment are presented under both scenarios.

### HIT-Related Commercial Insurance Market Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-595	-535	-544	-550	-555	-559	-564	-574	-583	-592
HIT-Related Increase in Avg. Premium	\$13	\$13	\$14	\$15	\$16	\$17	\$18	\$19	\$20	\$21
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$37.0</b>	<b>\$39.1</b>	<b>\$41.4</b>	<b>\$43.8</b>	<b>\$46.4</b>	<b>\$49.1</b>	<b>\$51.9</b>	<b>\$55.3</b>	<b>\$58.8</b>	<b>\$62.5</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$485.4</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-238	-214	-218	-220	-222	-224	-225	-230	-233	-237
HIT-Related Increase in Avg. Premium	\$5	\$5	\$6	\$6	\$6	\$7	\$7	\$7	\$8	\$8
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$14.8</b>	<b>\$15.7</b>	<b>\$16.6</b>	<b>\$17.5</b>	<b>\$18.5</b>	<b>\$19.6</b>	<b>\$20.8</b>	<b>\$22.1</b>	<b>\$23.5</b>	<b>\$25.0</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$194.1</b>

### HIT-Related Federal, State Income Tax Revenue Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$4.8	-\$5.0	-\$5.3	-\$5.5	-\$5.7	-\$6.0	-\$6.3	-\$6.6	-\$7.0	-\$7.4
HIT-Related State Tax Revenue Impact (\$M)	-\$3.5	-\$3.7	-\$3.8	-\$4.0	-\$4.2	-\$4.4	-\$4.6	-\$4.8	-\$5.1	-\$5.4
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$59.6</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$43.5</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$1.9	-\$2.0	-\$2.1	-\$2.2	-\$2.3	-\$2.4	-\$2.5	-\$2.6	-\$2.8	-\$2.9
HIT-Related State Tax Revenue Impact (\$M)	-\$1.4	-\$1.5	-\$1.5	-\$1.6	-\$1.7	-\$1.8	-\$1.8	-\$1.9	-\$2.0	-\$2.1
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$23.8</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$17.4</b>

## MISSISSIPPI



- The HIT will increase Medicaid premiums by \$71.9 million in 2018 and by \$944.1 million over 10 years.
- Public-to-private sector cost-shifting will increase commercial plan premiums by a range of \$14.4 to \$36.0 million in 2018 and by a range of \$188.8 to \$472.0 million over 10 years.
- Federal tax revenue from the state would decline by a range of \$22.1 to \$55.1 million over 10 years; state tax revenue would decline by a range of \$8.2 to \$20.4 million over 10 years.

### Impact on Medicaid health plans ends up being paid for by States, Federal Government

Increase in Medicaid Premiums under HIT (\$M)	
2018	\$71.9
2019	\$76.1
2020	\$80.6
2021	\$85.3
2022	\$90.2
2023	\$95.4
2024	\$101.0
2025	\$107.5
2026	\$114.3
2027	\$121.6
<b>10-Yr Impact</b>	<b>\$944.1</b>

- Of the \$71.9M in premiums collected by insurers associated with their Medicaid business in 2018, \$54.4M will be paid for by the federal government, and \$17.5M will be paid by the state.
- In Mississippi, the additional Medicaid premium to be paid as a result of the HIT growth is more than \$944 million over the next 10 years.

### Public-to-Private Sector Cost-Shift Impact

This study assesses the indirect impacts on health care premiums in private markets, participation by consumers in those markets, and federal and state budget impacts resulting from the imposition of the HIT on state Medicaid programs. Assuming states reduce provider payments to address budget shortfalls, premiums for commercial insurance will increase as providers shift costs onto privately insured individuals. The changes in commercial insurance enrollment, changes in average premiums, and changes in total premiums, resulting from the cost-shift to commercial plans are presented under two scenarios – a “High Cost-Shift” (50%) and a “Low Cost-Shift” (20%) – based on a literature review. In addition, the federal and state income tax impacts due to reduced wages and employment are presented under both scenarios.

### HIT-Related Commercial Insurance Market Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-563	-544	-557	-569	-578	-587	-597	-613	-627	-641
HIT-Related Increase in Avg. Premium	\$34	\$35	\$38	\$40	\$42	\$44	\$47	\$50	\$53	\$57
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$36.0</b>	<b>\$38.1</b>	<b>\$40.3</b>	<b>\$42.6</b>	<b>\$45.1</b>	<b>\$47.7</b>	<b>\$50.5</b>	<b>\$53.7</b>	<b>\$57.2</b>	<b>\$60.8</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$472.0</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-225	-217	-223	-228	-231	-235	-239	-245	-251	-256
HIT-Related Increase in Avg. Premium	\$13	\$14	\$15	\$16	\$17	\$18	\$19	\$20	\$21	\$23
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$14.4</b>	<b>\$15.2</b>	<b>\$16.1</b>	<b>\$17.1</b>	<b>\$18.0</b>	<b>\$19.1</b>	<b>\$20.2</b>	<b>\$21.5</b>	<b>\$22.9</b>	<b>\$24.3</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$188.8</b>

### HIT-Related Federal, State Income Tax Revenue Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$4.5	-\$4.6	-\$4.9	-\$5.1	-\$5.3	-\$5.6	-\$5.8	-\$6.1	-\$6.5	-\$6.8
HIT-Related State Tax Revenue Impact (\$M)	-\$1.6	-\$1.7	-\$1.8	-\$1.9	-\$2.0	-\$2.1	-\$2.2	-\$2.3	-\$2.4	-\$2.5
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$55.1</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$20.4</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$1.8	-\$1.9	-\$1.9	-\$2.0	-\$2.1	-\$2.2	-\$2.3	-\$2.5	-\$2.6	-\$2.7
HIT-Related State Tax Revenue Impact (\$M)	-\$0.7	-\$0.7	-\$0.7	-\$0.8	-\$0.8	-\$0.8	-\$0.9	-\$0.9	-\$1.0	-\$1.0
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$22.1</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$8.2</b>

## MISSOURI



- The HIT will increase Medicaid premiums by \$43.6 million in 2018 and by \$571.9 million over 10 years.
- Public-to-private sector cost-shifting will increase commercial plan premiums by a range of \$8.7 to \$21.8 million in 2018 and by a range of \$114.4 to \$285.9 million over 10 years.
- Federal tax revenue from the state would decline by a range of \$13.5 to \$33.7 million over 10 years; state tax revenue would decline by a range of \$6.0 to \$15.0 million over 10 years.

### Impact on Medicaid health plans ends up being paid for by States, Federal Government

Increase in Medicaid Premiums under HIT (\$M)	
2018	\$43.6
2019	\$46.1
2020	\$48.8
2021	\$51.7
2022	\$54.6
2023	\$57.8
2024	\$61.2
2025	\$65.1
2026	\$69.3
2027	\$73.7
<b>10-Yr Impact</b>	<b>\$571.9</b>

- Of the \$43.6M in premiums collected by insurers associated with their Medicaid business in 2018, \$28.2M will be paid for by the federal government, and \$15.4M will be paid by the state.
- In Missouri, the additional Medicaid premium to be paid as a result of the HIT growth is more than \$571 million over the next 10 years.

### Public-to-Private Sector Cost-Shift Impact

This study assesses the indirect impacts on health care premiums in private markets, participation by consumers in those markets, and federal and state budget impacts resulting from the imposition of the HIT on state Medicaid programs. Assuming states reduce provider payments to address budget shortfalls, premiums for commercial insurance will increase as providers shift costs onto privately insured individuals. The changes in commercial insurance enrollment, changes in average premiums, and changes in total premiums, resulting from the cost-shift to commercial plans are presented under two scenarios – a “High Cost-Shift” (50%) and a “Low Cost-Shift” (20%) – based on a literature review. In addition, the federal and state income tax impacts due to reduced wages and employment are presented under both scenarios.

### HIT-Related Commercial Insurance Market Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-359	-335	-340	-344	-347	-350	-353	-360	-366	-372
HIT-Related Increase in Avg. Premium	\$8	\$8	\$8	\$9	\$9	\$10	\$11	\$11	\$12	\$13
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$21.8</b>	<b>\$23.1</b>	<b>\$24.4</b>	<b>\$25.8</b>	<b>\$27.3</b>	<b>\$28.9</b>	<b>\$30.6</b>	<b>\$32.6</b>	<b>\$34.6</b>	<b>\$36.8</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$285.9</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-144	-134	-136	-138	-139	-140	-141	-144	-146	-149
HIT-Related Increase in Avg. Premium	\$3	\$3	\$3	\$4	\$4	\$4	\$4	\$5	\$5	\$5
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$8.7</b>	<b>\$9.2</b>	<b>\$9.8</b>	<b>\$10.3</b>	<b>\$10.9</b>	<b>\$11.6</b>	<b>\$12.2</b>	<b>\$13.0</b>	<b>\$13.9</b>	<b>\$14.7</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$114.4</b>

### HIT-Related Federal, State Income Tax Revenue Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$2.7	-\$2.9	-\$3.0	-\$3.1	-\$3.2	-\$3.4	-\$3.5	-\$3.7	-\$3.9	-\$4.1
HIT-Related State Tax Revenue Impact (\$M)	-\$1.2	-\$1.3	-\$1.3	-\$1.4	-\$1.4	-\$1.5	-\$1.6	-\$1.7	-\$1.7	-\$1.8
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$33.7</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$15.0</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$1.1	-\$1.1	-\$1.2	-\$1.2	-\$1.3	-\$1.4	-\$1.4	-\$1.5	-\$1.6	-\$1.7
HIT-Related State Tax Revenue Impact (\$M)	-\$0.5	-\$0.5	-\$0.5	-\$0.6	-\$0.6	-\$0.6	-\$0.6	-\$0.7	-\$0.7	-\$0.7
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$13.5</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$6.0</b>

## NEBRASKA



- The HIT will increase Medicaid premiums by \$16.5 million in 2018 and by \$216.9 million over 10 years.
- Public-to-private sector cost-shifting will increase commercial plan premiums by a range of \$3.3 to \$8.3 million in 2018 and by a range of \$43.4 to \$108.5 million over 10 years.
- Federal tax revenue from the state would decline by a range of \$5.0 to \$12.4 million over 10 years; state tax revenue would decline by a range of \$2.5 to \$6.3 million over 10 years.

### Impact on Medicaid health plans ends up being paid for by States, Federal Government

Increase in Medicaid Premiums under HIT (\$M)	
2018	\$16.5
2019	\$17.5
2020	\$18.5
2021	\$19.6
2022	\$20.7
2023	\$21.9
2024	\$23.2
2025	\$24.7
2026	\$26.3
2027	\$28.0
<b>10-Yr Impact</b>	<b>\$216.9</b>

- Of the \$16.5M in premiums collected by insurers associated with their Medicaid business in 2018, \$8.7M will be paid for by the federal government, and \$7.8M will be paid by the state.
- In Nebraska, the additional Medicaid premium to be paid as a result of the HIT growth is more than \$216 million over the next 10 years.

### Public-to-Private Sector Cost-Shift Impact

This study assesses the indirect impacts on health care premiums in private markets, participation by consumers in those markets, and federal and state budget impacts resulting from the imposition of the HIT on state Medicaid programs. Assuming states reduce provider payments to address budget shortfalls, premiums for commercial insurance will increase as providers shift costs onto privately insured individuals. The changes in commercial insurance enrollment, changes in average premiums, and changes in total premiums, resulting from the cost-shift to commercial plans are presented under two scenarios – a “High Cost-Shift” (50%) and a “Low Cost-Shift” (20%) – based on a literature review. In addition, the federal and state income tax impacts due to reduced wages and employment are presented under both scenarios.

### HIT-Related Commercial Insurance Market Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-138	-130	-132	-134	-135	-136	-138	-140	-143	-145
HIT-Related Increase in Avg. Premium	\$9	\$10	\$10	\$11	\$12	\$12	\$13	\$14	\$15	\$16
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$8.3</b>	<b>\$8.7</b>	<b>\$9.3</b>	<b>\$9.8</b>	<b>\$10.4</b>	<b>\$11.0</b>	<b>\$11.6</b>	<b>\$12.3</b>	<b>\$13.1</b>	<b>\$14.0</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$108.5</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-55	-52	-53	-54	-54	-55	-55	-56	-57	-58
HIT-Related Increase in Avg. Premium	\$4	\$4	\$4	\$4	\$5	\$5	\$5	\$6	\$6	\$6
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$3.3</b>	<b>\$3.5</b>	<b>\$3.7</b>	<b>\$3.9</b>	<b>\$4.1</b>	<b>\$4.4</b>	<b>\$4.6</b>	<b>\$4.9</b>	<b>\$5.3</b>	<b>\$5.6</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$43.4</b>

### HIT-Related Federal, State Income Tax Revenue Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$1.0	-\$1.1	-\$1.1	-\$1.1	-\$1.2	-\$1.3	-\$1.3	-\$1.4	-\$1.5	-\$1.5
HIT-Related State Tax Revenue Impact (\$M)	-\$0.5	-\$0.5	-\$0.6	-\$0.6	-\$0.6	-\$0.6	-\$0.7	-\$0.7	-\$0.7	-\$0.8
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$12.4</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$6.3</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$0.4	-\$0.4	-\$0.4	-\$0.5	-\$0.5	-\$0.5	-\$0.5	-\$0.6	-\$0.6	-\$0.6
HIT-Related State Tax Revenue Impact (\$M)	-\$0.2	-\$0.2	-\$0.2	-\$0.2	-\$0.2	-\$0.3	-\$0.3	-\$0.3	-\$0.3	-\$0.3
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$5.0</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$2.5</b>

## NEVADA



- The HIT will increase Medicaid premiums by \$46.3 million in 2018 and by \$608.0 million over 10 years.
- Public-to-private sector cost-shifting will increase commercial plan premiums by a range of \$9.3 to \$23.2 million in 2018 and by a range of \$121.6 to \$304.0 million over 10 years.
- Federal tax revenue from the state would decline by a range of \$15.3 to \$38.2 million over 10 years; state tax revenue would not be impacted.

### Impact on Medicaid health plans ends up being paid for by States, Federal Government

Increase in Medicaid Premiums under HIT (\$M)	
2018	\$46.3
2019	\$49.0
2020	\$51.9
2021	\$54.9
2022	\$58.1
2023	\$61.5
2024	\$65.1
2025	\$69.2
2026	\$73.6
2027	\$78.3
<b>10-Yr Impact</b>	<b>\$608.0</b>

- Of the \$46.3M in premiums collected by insurers associated with their Medicaid business in 2018, \$30.4M will be paid for by the federal government, and \$15.9M will be paid by the state.
- In Nevada, the additional Medicaid premium to be paid as a result of the HIT growth is more than \$608 million over the next 10 years.

### Public-to-Private Sector Cost-Shift Impact

This study assesses the indirect impacts on health care premiums in private markets, participation by consumers in those markets, and federal and state budget impacts resulting from the imposition of the HIT on state Medicaid programs. Assuming states reduce provider payments to address budget shortfalls, premiums for commercial insurance will increase as providers shift costs onto privately insured individuals. The changes in commercial insurance enrollment, changes in average premiums, and changes in total premiums, resulting from the cost-shift to commercial plans are presented under two scenarios – a “High Cost-Shift” (50%) and a “Low Cost-Shift” (20%) – based on a literature review. In addition, the federal and state income tax impacts due to reduced wages and employment are presented under both scenarios.

### HIT-Related Commercial Insurance Market Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-336	-291	-295	-298	-300	-302	-305	-310	-315	-319
HIT-Related Increase in Avg. Premium	\$16	\$16	\$17	\$18	\$19	\$21	\$22	\$23	\$25	\$26
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$23.2</b>	<b>\$24.5</b>	<b>\$26.0</b>	<b>\$27.5</b>	<b>\$29.0</b>	<b>\$30.7</b>	<b>\$32.5</b>	<b>\$34.6</b>	<b>\$36.8</b>	<b>\$39.2</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$304.0</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-134	-116	-118	-119	-120	-121	-122	-124	-126	-128
HIT-Related Increase in Avg. Premium	\$6	\$7	\$7	\$7	\$8	\$8	\$9	\$9	\$10	\$11
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$9.3</b>	<b>\$9.8</b>	<b>\$10.4</b>	<b>\$11.0</b>	<b>\$11.6</b>	<b>\$12.3</b>	<b>\$13.0</b>	<b>\$13.8</b>	<b>\$14.7</b>	<b>\$15.7</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$121.6</b>

### HIT-Related Federal, State Income Tax Revenue Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$3.1	-\$3.2	-\$3.4	-\$3.5	-\$3.7	-\$3.8	-\$4.0	-\$4.2	-\$4.5	-\$4.7
HIT-Related State Tax Revenue Impact (\$M)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$38.2</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>N/A</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$1.2	-\$1.3	-\$1.3	-\$1.4	-\$1.5	-\$1.5	-\$1.6	-\$1.7	-\$1.8	-\$1.9
HIT-Related State Tax Revenue Impact (\$M)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$15.3</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>N/A</b>

## NEW HAMPSHIRE



- The HIT will increase Medicaid premiums by \$8.2 million in 2018 and by \$107.4 million over 10 years.
- Public-to-private sector cost-shifting will increase commercial plan premiums by a range of \$1.6 to \$4.1 million in 2018 and by a range of \$21.5 to \$53.7 million over 10 years.
- Federal tax revenue from the state would decline by a range of \$2.6 to \$6.6 million over 10 years; state tax revenue would not be impacted.

### Impact on Medicaid health plans ends up being paid for by States, Federal Government

Increase in Medicaid Premiums under HIT (\$M)	
2018	\$8.2
2019	\$8.7
2020	\$9.2
2021	\$9.7
2022	\$10.3
2023	\$10.9
2024	\$11.5
2025	\$12.2
2026	\$13.0
2027	\$13.8
<b>10-Yr Impact</b>	<b>\$107.4</b>

- Of the \$8.2M in premiums collected by insurers associated with their Medicaid business in 2018, \$4.1M will be paid for by the federal government, and \$4.1M will be paid by the state.
- In New Hampshire, the additional Medicaid premium to be paid as a result of the HIT growth is more than \$107 million over the next 10 years.

### Public-to-Private Sector Cost-Shift Impact

This study assesses the indirect impacts on health care premiums in private markets, participation by consumers in those markets, and federal and state budget impacts resulting from the imposition of the HIT on state Medicaid programs. Assuming states reduce provider payments to address budget shortfalls, premiums for commercial insurance will increase as providers shift costs onto privately insured individuals. The changes in commercial insurance enrollment, changes in average premiums, and changes in total premiums, resulting from the cost-shift to commercial plans are presented under two scenarios – a “High Cost-Shift” (50%) and a “Low Cost-Shift” (20%) – based on a literature review. In addition, the federal and state income tax impacts due to reduced wages and employment are presented under both scenarios.

### HIT-Related Commercial Insurance Market Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-52	-46	-47	-48	-49	-49	-50	-51	-52	-52
HIT-Related Increase in Avg. Premium	\$6	\$7	\$7	\$7	\$8	\$8	\$9	\$9	\$10	\$10
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$4.1</b>	<b>\$4.3</b>	<b>\$4.6</b>	<b>\$4.8</b>	<b>\$5.1</b>	<b>\$5.4</b>	<b>\$5.7</b>	<b>\$6.1</b>	<b>\$6.5</b>	<b>\$6.9</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$53.7</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-21	-19	-19	-19	-19	-20	-20	-20	-21	-21
HIT-Related Increase in Avg. Premium	\$2	\$3	\$3	\$3	\$3	\$3	\$3	\$4	\$4	\$4
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$1.6</b>	<b>\$1.7</b>	<b>\$1.8</b>	<b>\$1.9</b>	<b>\$2.1</b>	<b>\$2.2</b>	<b>\$2.3</b>	<b>\$2.4</b>	<b>\$2.6</b>	<b>\$2.8</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$21.5</b>

### HIT-Related Federal, State Income Tax Revenue Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$0.5	-\$0.6	-\$0.6	-\$0.6	-\$0.6	-\$0.7	-\$0.7	-\$0.7	-\$0.8	-\$0.8
HIT-Related State Tax Revenue Impact (\$M)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$6.6</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>N/A</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$0.2	-\$0.2	-\$0.2	-\$0.2	-\$0.3	-\$0.3	-\$0.3	-\$0.3	-\$0.3	-\$0.3
HIT-Related State Tax Revenue Impact (\$M)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$2.6</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>N/A</b>

## NEW JERSEY



- The HIT will increase Medicaid premiums by \$277.9 million in 2018 and by \$3.65 billion over 10 years.
- Public-to-private sector cost-shifting will increase commercial plan premiums by a range of \$55.6 to \$139.0 million in 2018 and by a range of \$729.5 million to \$1.82 billion over 10 years.
- Federal tax revenue from the state would decline by a range of \$91.2 to \$228.0 million over 10 years; state tax revenue would decline by a range of \$60.6 to \$151.5 million over 10 years.

### Impact on Medicaid health plans ends up being paid for by States, Federal Government

Increase in Medicaid Premiums under HIT (\$M)	
2018	\$277.9
2019	\$294.1
2020	\$311.4
2021	\$329.4
2022	\$348.5
2023	\$368.7
2024	\$390.3
2025	\$415.2
2026	\$441.8
2027	\$470.0
<b>10-Yr Impact</b>	<b>\$3,647.3</b>

- Of the \$277.9 in premiums collected by insurers associated with their Medicaid business in 2018, \$139M will be paid for by the federal government, and \$139M will be paid by the state.
- In New Jersey, the additional Medicaid premium to be paid as a result of the HIT growth is more than \$3.6 billion over the next 10 years.

### Public-to-Private Sector Cost-Shift Impact

This study assesses the indirect impacts on health care premiums in private markets, participation by consumers in those markets, and federal and state budget impacts resulting from the imposition of the HIT on state Medicaid programs. Assuming states reduce provider payments to address budget shortfalls, premiums for commercial insurance will increase as providers shift costs onto privately insured individuals. The changes in commercial insurance enrollment, changes in average premiums, and changes in total premiums, resulting from the cost-shift to commercial plans are presented under two scenarios – a “High Cost-Shift” (50%) and a “Low Cost-Shift” (20%) – based on a literature review. In addition, the federal and state income tax impacts due to reduced wages and employment are presented under both scenarios.

### HIT-Related Commercial Insurance Market Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-1,655	-1,413	-1,442	-1,463	-1,479	-1,495	-1,513	-1,545	-1,574	-1,603
HIT-Related Increase in Avg. Premium	\$34	\$36	\$38	\$40	\$43	\$45	\$48	\$51	\$54	\$58
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$139.0</b>	<b>\$147.1</b>	<b>\$155.7</b>	<b>\$164.7</b>	<b>\$174.2</b>	<b>\$184.3</b>	<b>\$195.1</b>	<b>\$207.6</b>	<b>\$220.9</b>	<b>\$235.0</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$1,823.6</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-662	-565	-577	-585	-592	-598	-605	-618	-630	-641
HIT-Related Increase in Avg. Premium	\$14	\$14	\$15	\$16	\$17	\$18	\$19	\$20	\$22	\$23
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$55.6</b>	<b>\$58.8</b>	<b>\$62.3</b>	<b>\$65.9</b>	<b>\$69.7</b>	<b>\$73.7</b>	<b>\$78.1</b>	<b>\$83.0</b>	<b>\$88.4</b>	<b>\$94.0</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$729.5</b>

### HIT-Related Federal, State Income Tax Revenue Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$18.3	-\$19.1	-\$20.1	-\$21.0	-\$21.9	-\$23.0	-\$24.1	-\$25.4	-\$26.8	-\$28.3
HIT-Related State Tax Revenue Impact (\$M)	-\$12.2	-\$12.7	-\$13.3	-\$13.9	-\$14.6	-\$15.3	-\$16.0	-\$16.9	-\$17.8	-\$18.8
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$228.0</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$151.5</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$7.3	-\$7.7	-\$8.0	-\$8.4	-\$8.8	-\$9.2	-\$9.6	-\$10.2	-\$10.7	-\$11.3
HIT-Related State Tax Revenue Impact (\$M)	-\$4.9	-\$5.1	-\$5.3	-\$5.6	-\$5.8	-\$6.1	-\$6.4	-\$6.8	-\$7.1	-\$7.5
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$91.2</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$60.6</b>

## NEW MEXICO

- The HIT will increase Medicaid premiums by \$133.2 million in 2018 and by \$1.75 billion over 10 years.
- Public-to-private sector cost-shifting will increase commercial plan premiums by a range of \$26.6 to \$66.6 million in 2018 and by a range of \$349.5 to \$873.8 million over 10 years.
- Federal tax revenue from the state would decline by a range of \$42.3 to \$105.7 million over 10 years; state tax revenue would decline by a range of \$15.4 to \$38.4 million over 10 years.



### Impact on Medicaid health plans ends up being paid for by States, Federal Government

Increase in Medicaid Premiums under HIT (\$M)	
2018	\$133.2
2019	\$140.9
2020	\$149.2
2021	\$157.9
2022	\$167.0
2023	\$176.7
2024	\$187.0
2025	\$198.9
2026	\$211.7
2027	\$225.2
<b>10-Yr Impact</b>	<b>\$1,747.6</b>

- Of the \$133.2M in premiums collected by insurers associated with their Medicaid business in 2018, \$96.1M will be paid for by the federal government, and \$37.1M will be paid by the state.
- In New Mexico, the additional Medicaid premium to be paid as a result of the HIT growth is more than \$1.74 billion over the next 10 years.

### Public-to-Private Sector Cost-Shift Impact

This study assesses the indirect impacts on health care premiums in private markets, participation by consumers in those markets, and federal and state budget impacts resulting from the imposition of the HIT on state Medicaid programs. Assuming states reduce provider payments to address budget shortfalls, premiums for commercial insurance will increase as providers shift costs onto privately insured individuals. The changes in commercial insurance enrollment, changes in average premiums, and changes in total premiums, resulting from the cost-shift to commercial plans are presented under two scenarios – a “High Cost-Shift” (50%) and a “Low Cost-Shift” (20%) – based on a literature review. In addition, the federal and state income tax impacts due to reduced wages and employment are presented under both scenarios.

### HIT-Related Commercial Insurance Market Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-1,026	-972	-994	-1,012	-1,026	-1,040	-1,055	-1,080	-1,103	-1,125
HIT-Related Increase in Avg. Premium	\$105	\$111	\$117	\$124	\$132	\$139	\$147	\$157	\$167	\$178
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$66.6</b>	<b>\$70.5</b>	<b>\$74.6</b>	<b>\$78.9</b>	<b>\$83.5</b>	<b>\$88.3</b>	<b>\$93.5</b>	<b>\$99.5</b>	<b>\$105.8</b>	<b>\$112.6</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$873.8</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-410	-389	-398	-405	-410	-416	-422	-432	-441	-450
HIT-Related Increase in Avg. Premium	\$42	\$44	\$47	\$50	\$53	\$56	\$59	\$63	\$67	\$71
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$26.6</b>	<b>\$28.2</b>	<b>\$29.8</b>	<b>\$31.6</b>	<b>\$33.4</b>	<b>\$35.3</b>	<b>\$37.4</b>	<b>\$39.8</b>	<b>\$42.3</b>	<b>\$45.0</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$349.5</b>

### HIT-Related Federal, State Income Tax Revenue Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$8.5	-\$8.9	-\$9.3	-\$9.7	-\$10.2	-\$10.7	-\$11.2	-\$11.8	-\$12.4	-\$13.1
HIT-Related State Tax Revenue Impact (\$M)	-\$3.1	-\$3.2	-\$3.4	-\$3.5	-\$3.7	-\$3.9	-\$4.1	-\$4.3	-\$4.5	-\$4.8
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$105.7</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$38.4</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$3.4	-\$3.6	-\$3.7	-\$3.9	-\$4.1	-\$4.3	-\$4.5	-\$4.7	-\$5.0	-\$5.2
HIT-Related State Tax Revenue Impact (\$M)	-\$1.2	-\$1.3	-\$1.4	-\$1.4	-\$1.5	-\$1.5	-\$1.6	-\$1.7	-\$1.8	-\$1.9
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$42.3</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$15.4</b>

## NEW YORK

- The HIT will increase Medicaid premiums by \$149.9 million in 2018 and by \$1.97 billion over 10 years.
- Public-to-private sector cost-shifting will increase commercial plan premiums by a range of \$30.0 to \$75.0 million in 2018 and by a range of \$393.5 to \$983.7 million over 10 years.
- Federal tax revenue from the state would decline by a range of \$49.4 to \$123.5 million over 10 years; state tax revenue would decline by a range of \$32.3 to \$80.7 million over 10 years.



### Impact on Medicaid health plans ends up being paid for by States, Federal Government

Increase in Medicaid Premiums under HIT (\$M)	
2018	\$149.9
2019	\$158.7
2020	\$168.0
2021	\$177.7
2022	\$188.0
2023	\$198.9
2024	\$210.5
2025	\$224.0
2026	\$238.3
2027	\$253.5
<b>10-Yr Impact</b>	<b>\$1,967.4</b>

- Of the \$149.9M in premiums collected by insurers associated with their Medicaid business in 2018, \$75M will be paid for by the federal government, and \$75M will be paid by the state.
- In New York, the additional Medicaid premium to be paid as a result of the HIT growth is more than \$1.9 billion over the next 10 years.

### Public-to-Private Sector Cost-Shift Impact

This study assesses the indirect impacts on health care premiums in private markets, participation by consumers in those markets, and federal and state budget impacts resulting from the imposition of the HIT on state Medicaid programs. Assuming states reduce provider payments to address budget shortfalls, premiums for commercial insurance will increase as providers shift costs onto privately insured individuals. The changes in commercial insurance enrollment, changes in average premiums, and changes in total premiums, resulting from the cost-shift to commercial plans are presented under two scenarios – a “High Cost-Shift” (50%) and a “Low Cost-Shift” (20%) – based on a literature review. In addition, the federal and state income tax impacts due to reduced wages and employment are presented under both scenarios.

### HIT-Related Commercial Insurance Market Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-751	-608	-621	-630	-637	-644	-652	-666	-679	-691
HIT-Related Increase in Avg. Premium	\$8	\$9	\$9	\$10	\$10	\$11	\$11	\$12	\$13	\$14
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$75.0</b>	<b>\$79.3</b>	<b>\$84.0</b>	<b>\$88.9</b>	<b>\$94.0</b>	<b>\$99.4</b>	<b>\$105.3</b>	<b>\$112.0</b>	<b>\$119.1</b>	<b>\$126.8</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$983.7</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-300	-243	-248	-252	-255	-258	-261	-266	-271	-276
HIT-Related Increase in Avg. Premium	\$3	\$3	\$4	\$4	\$4	\$4	\$5	\$5	\$5	\$5
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$30.0</b>	<b>\$31.7</b>	<b>\$33.6</b>	<b>\$35.5</b>	<b>\$37.6</b>	<b>\$39.8</b>	<b>\$42.1</b>	<b>\$44.8</b>	<b>\$47.7</b>	<b>\$50.7</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$393.5</b>

### HIT-Related Federal, State Income Tax Revenue Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$9.9	-\$10.3	-\$10.8	-\$11.3	-\$11.9	-\$12.5	-\$13.1	-\$13.8	-\$14.6	-\$15.4
HIT-Related State Tax Revenue Impact (\$M)	-\$6.4	-\$6.7	-\$7.1	-\$7.4	-\$7.8	-\$8.1	-\$8.5	-\$9.0	-\$9.5	-\$10.0
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$123.5</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$80.7</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$3.9	-\$4.1	-\$4.3	-\$4.5	-\$4.8	-\$5.0	-\$5.2	-\$5.5	-\$5.8	-\$6.2
HIT-Related State Tax Revenue Impact (\$M)	-\$2.6	-\$2.7	-\$2.8	-\$3.0	-\$3.1	-\$3.3	-\$3.4	-\$3.6	-\$3.8	-\$4.0
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$49.4</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$32.3</b>

## NORTH DAKOTA



- The HIT will increase Medicaid premiums by \$8.8 million in 2018 and by \$115.9 million over 10 years.
- Public-to-private sector cost-shifting will increase commercial plan premiums by a range of \$1.8 to \$4.4 million in 2018 and by a range of \$23.2 to \$57.9 million over 10 years.
- Federal tax revenue from the state would decline by a range of \$2.7 to \$6.8 million over 10 years; state tax revenue would decline by a range of \$0.6 to \$1.5 million over 10 years.

### Impact on Medicaid health plans ends up being paid for by States, Federal Government

Increase in Medicaid Premiums under HIT (\$M)	
2018	\$8.8
2019	\$9.3
2020	\$9.9
2021	\$10.5
2022	\$11.1
2023	\$11.7
2024	\$12.4
2025	\$13.2
2026	\$14.0
2027	\$14.9
<b>10-Yr Impact</b>	<b>\$115.9</b>

- Of the \$8.8M in premiums collected by insurers associated with their Medicaid business in 2018, \$4.4M will be paid for by the federal government, and \$4.4 will be paid by the state.
- In North Dakota, the additional Medicaid premium to be paid as a result of the HIT growth is more than \$115 million over the next 10 years.

### Public-to-Private Sector Cost-Shift Impact

This study assesses the indirect impacts on health care premiums in private markets, participation by consumers in those markets, and federal and state budget impacts resulting from the imposition of the HIT on state Medicaid programs. Assuming states reduce provider payments to address budget shortfalls, premiums for commercial insurance will increase as providers shift costs onto privately insured individuals. The changes in commercial insurance enrollment, changes in average premiums, and changes in total premiums, resulting from the cost-shift to commercial plans are presented under two scenarios – a “High Cost-Shift” (50%) and a “Low Cost-Shift” (20%) – based on a literature review. In addition, the federal and state income tax impacts due to reduced wages and employment are presented under both scenarios.

### HIT-Related Commercial Insurance Market Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-74	-69	-70	-71	-72	-72	-73	-74	-76	-77
HIT-Related Increase in Avg. Premium	\$11	\$11	\$12	\$13	\$13	\$14	\$15	\$16	\$17	\$18
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$4.4</b>	<b>\$4.7</b>	<b>\$4.9</b>	<b>\$5.2</b>	<b>\$5.5</b>	<b>\$5.9</b>	<b>\$6.2</b>	<b>\$6.6</b>	<b>\$7.0</b>	<b>\$7.5</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$57.9</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-30	-28	-28	-28	-29	-29	-29	-30	-30	-31
HIT-Related Increase in Avg. Premium	\$4	\$4	\$5	\$5	\$5	\$6	\$6	\$6	\$7	\$7
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$1.8</b>	<b>\$1.9</b>	<b>\$2.0</b>	<b>\$2.1</b>	<b>\$2.2</b>	<b>\$2.3</b>	<b>\$2.5</b>	<b>\$2.6</b>	<b>\$2.8</b>	<b>\$3.0</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$23.2</b>

### HIT-Related Federal, State Income Tax Revenue Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$0.6	-\$0.6	-\$0.6	-\$0.6	-\$0.7	-\$0.7	-\$0.7	-\$0.8	-\$0.8	-\$0.8
HIT-Related State Tax Revenue Impact (\$M)	-\$0.1	-\$0.1	-\$0.1	-\$0.1	-\$0.1	-\$0.1	-\$0.2	-\$0.2	-\$0.2	-\$0.2
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$6.8</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$1.5</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$0.2	-\$0.2	-\$0.2	-\$0.2	-\$0.3	-\$0.3	-\$0.3	-\$0.3	-\$0.3	-\$0.3
HIT-Related State Tax Revenue Impact (\$M)	\$0.0	\$0.0	-\$0.1	-\$0.1	-\$0.1	-\$0.1	-\$0.1	-\$0.1	-\$0.1	-\$0.1
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$2.7</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$0.6</b>

## OHIO

- The HIT will increase Medicaid premiums by \$414.1 million in 2018 and by \$5.44 billion over 10 years.
- Public-to-private sector cost-shifting will increase commercial plan premiums by a range of \$82.8 to \$207.1 million in 2018 and by a range of \$1.09 to \$2.72 billion over 10 years.
- Federal tax revenue from the state would decline by a range of \$138.2 to \$345.6 million over 10 years; state tax revenue would decline by a range of \$51.2 to \$127.9 million over 10 years.



### Impact on Medicaid health plans ends up being paid for by States, Federal Government

Increase in Medicaid Premiums under HIT (\$M)	
2018	\$414.1
2019	\$438.3
2020	\$464.0
2021	\$490.9
2022	\$519.3
2023	\$549.4
2024	\$581.6
2025	\$618.7
2026	\$658.3
2027	\$700.3
<b>10-Yr Impact</b>	<b>\$5,435.0</b>

- Of the \$414.1M in premiums collected by insurers associated with their Medicaid business in 2018, \$260M will be paid for by the federal government, and \$154.1M will be paid by the state.
- In Ohio, the additional Medicaid premium to be paid as a result of the HIT growth is more than \$5.4 billion over the next 10 years.

### Public-to-Private Sector Cost-Shift Impact

This study assesses the indirect impacts on health care premiums in private markets, participation by consumers in those markets, and federal and state budget impacts resulting from the imposition of the HIT on state Medicaid programs. Assuming states reduce provider payments to address budget shortfalls, premiums for commercial insurance will increase as providers shift costs onto privately insured individuals. The changes in commercial insurance enrollment, changes in average premiums, and changes in total premiums, resulting from the cost-shift to commercial plans are presented under two scenarios – a “High Cost-Shift” (50%) and a “Low Cost-Shift” (20%) – based on a literature review. In addition, the federal and state income tax impacts due to reduced wages and employment are presented under both scenarios.

### HIT-Related Commercial Insurance Market Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-2,698	-2,274	-2,316	-2,347	-2,369	-2,392	-2,417	-2,466	-2,508	-2,551
HIT-Related Increase in Avg. Premium	\$34	\$36	\$38	\$40	\$42	\$45	\$47	\$50	\$54	\$57
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$207.1</b>	<b>\$219.2</b>	<b>\$232.0</b>	<b>\$245.5</b>	<b>\$259.6</b>	<b>\$274.7</b>	<b>\$290.8</b>	<b>\$309.4</b>	<b>\$329.1</b>	<b>\$350.2</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$2,717.5</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-1,079	-910	-926	-939	-948	-957	-967	-986	-1,003	-1,020
HIT-Related Increase in Avg. Premium	\$14	\$14	\$15	\$16	\$17	\$18	\$19	\$20	\$21	\$23
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$82.8</b>	<b>\$87.7</b>	<b>\$92.8</b>	<b>\$98.2</b>	<b>\$103.9</b>	<b>\$109.9</b>	<b>\$116.3</b>	<b>\$123.7</b>	<b>\$131.7</b>	<b>\$140.1</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$1,087.0</b>

### HIT-Related Federal, State Income Tax Revenue Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$27.8	-\$29.1	-\$30.4	-\$31.8	-\$33.3	-\$34.8	-\$36.5	-\$38.5	-\$40.6	-\$42.8
HIT-Related State Tax Revenue Impact (\$M)	-\$10.3	-\$10.8	-\$11.3	-\$11.8	-\$12.3	-\$12.9	-\$13.5	-\$14.2	-\$15.0	-\$15.8
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$345.6</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$127.9</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$11.1	-\$11.6	-\$12.2	-\$12.7	-\$13.3	-\$13.9	-\$14.6	-\$15.4	-\$16.2	-\$17.1
HIT-Related State Tax Revenue Impact (\$M)	-\$4.1	-\$4.3	-\$4.5	-\$4.7	-\$4.9	-\$5.2	-\$5.4	-\$5.7	-\$6.0	-\$6.3
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$138.2</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$51.2</b>

## OREGON



- The HIT will increase Medicaid premiums by \$14.1 million in 2018 and by \$184.5 million over 10 years.
- Public-to-private sector cost-shifting will increase commercial plan premiums by a range of \$2.8 to \$7.0 million in 2018 and by a range of \$36.9 to \$92.2 million over 10 years.
- Federal tax revenue from the state would decline by a range of \$4.4 to \$11.1 million over 10 years; state tax revenue would decline by a range of \$3.2 to \$8.1 million over 10 years.

### Impact on Medicaid health plans ends up being paid for by States, Federal Government

Increase in Medicaid Premiums under HIT (\$M)	
2018	\$14.1
2019	\$14.9
2020	\$15.8
2021	\$16.7
2022	\$17.6
2023	\$18.6
2024	\$19.7
2025	\$21.0
2026	\$22.3
2027	\$23.8
<b>10-Yr Impact</b>	<b>\$184.5</b>

- Of the \$14.1M in premiums collected by insurers associated with their Medicaid business in 2018, \$9M will be paid for by the federal government, and \$5.1M will be paid by the state.
- In Oregon, the additional Medicaid premium to be paid as a result of the HIT growth is more than \$184 million over the next 10 years.

### Public-to-Private Sector Cost-Shift Impact

This study assesses the indirect impacts on health care premiums in private markets, participation by consumers in those markets, and federal and state budget impacts resulting from the imposition of the HIT on state Medicaid programs. Assuming states reduce provider payments to address budget shortfalls, premiums for commercial insurance will increase as providers shift costs onto privately insured individuals. The changes in commercial insurance enrollment, changes in average premiums, and changes in total premiums, resulting from the cost-shift to commercial plans are presented under two scenarios – a “High Cost-Shift” (50%) and a “Low Cost-Shift” (20%) – based on a literature review. In addition, the federal and state income tax impacts due to reduced wages and employment are presented under both scenarios.

### HIT-Related Commercial Insurance Market Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-113	-107	-110	-111	-113	-114	-115	-118	-120	-122
HIT-Related Increase in Avg. Premium	\$4	\$4	\$5	\$5	\$5	\$6	\$6	\$6	\$7	\$7
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$7.0</b>	<b>\$7.4</b>	<b>\$7.9</b>	<b>\$8.3</b>	<b>\$8.8</b>	<b>\$9.3</b>	<b>\$9.9</b>	<b>\$10.5</b>	<b>\$11.2</b>	<b>\$11.9</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$92.2</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-45	-43	-44	-45	-45	-46	-46	-47	-48	-49
HIT-Related Increase in Avg. Premium	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$3	\$3
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$2.8</b>	<b>\$3.0</b>	<b>\$3.2</b>	<b>\$3.3</b>	<b>\$3.5</b>	<b>\$3.7</b>	<b>\$3.9</b>	<b>\$4.2</b>	<b>\$4.5</b>	<b>\$4.8</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$36.9</b>

### HIT-Related Federal, State Income Tax Revenue Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$0.9	-\$0.9	-\$1.0	-\$1.0	-\$1.1	-\$1.1	-\$1.2	-\$1.2	-\$1.3	-\$1.4
HIT-Related State Tax Revenue Impact (\$M)	-\$0.7	-\$0.7	-\$0.7	-\$0.7	-\$0.8	-\$0.8	-\$0.9	-\$0.9	-\$0.9	-\$1.0
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$11.1</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$8.1</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$0.4	-\$0.4	-\$0.4	-\$0.4	-\$0.4	-\$0.4	-\$0.5	-\$0.5	-\$0.5	-\$0.5
HIT-Related State Tax Revenue Impact (\$M)	-\$0.3	-\$0.3	-\$0.3	-\$0.3	-\$0.3	-\$0.3	-\$0.3	-\$0.4	-\$0.4	-\$0.4
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$4.4</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$3.2</b>

## PENNSYLVANIA

- The HIT will increase Medicaid premiums by \$226.1 million in 2018 and by \$2.97 billion over 10 years.
- Public-to-private sector cost-shifting will increase commercial plan premiums by a range of \$45.2 to \$113 million in 2018 and by a range of \$593.4 million to \$1.48 billion over 10 years.
- Federal tax revenue from the state would decline by a range of \$73.0 to \$182.4 million over 10 years; state tax revenue would decline by a range of \$16.6 to \$41.5 million over 10 years.



### Impact on Medicaid health plans ends up being paid for by States, Federal Government

Increase in Medicaid Premiums under HIT (\$M)	
2018	\$226.1
2019	\$239.3
2020	\$253.3
2021	\$268.0
2022	\$283.5
2023	\$299.9
2024	\$317.5
2025	\$337.8
2026	\$359.4
2027	\$382.3
<b>10-Yr Impact</b>	<b>\$2,967.1</b>

- Of the \$226.1M in premiums collected by insurers associated with their Medicaid business in 2018, \$117.2M will be paid for by the federal government, and \$108.9M will be paid by the state.
- In Pennsylvania, the additional Medicaid premium to be paid as a result of the HIT growth is more than \$2.96 billion over the next 10 years.

### Public-to-Private Sector Cost-Shift Impact

This study assesses the indirect impacts on health care premiums in private markets, participation by consumers in those markets, and federal and state budget impacts resulting from the imposition of the HIT on state Medicaid programs. Assuming states reduce provider payments to address budget shortfalls, premiums for commercial insurance will increase as providers shift costs onto privately insured individuals. The changes in commercial insurance enrollment, changes in average premiums, and changes in total premiums, resulting from the cost-shift to commercial plans are presented under two scenarios – a “High Cost-Shift” (50%) and a “Low Cost-Shift” (20%) – based on a literature review. In addition, the federal and state income tax impacts due to reduced wages and employment are presented under both scenarios.

### HIT-Related Commercial Insurance Market Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-1,681	-1,514	-1,540	-1,560	-1,574	-1,588	-1,603	-1,635	-1,663	-1,690
HIT-Related Increase in Avg. Premium	\$17	\$18	\$19	\$20	\$21	\$23	\$24	\$25	\$27	\$29
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$113.0</b>	<b>\$119.6</b>	<b>\$126.7</b>	<b>\$134.0</b>	<b>\$141.7</b>	<b>\$150.0</b>	<b>\$158.7</b>	<b>\$168.9</b>	<b>\$179.7</b>	<b>\$191.2</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$1,483.5</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-672	-605	-616	-624	-630	-635	-641	-654	-665	-676
HIT-Related Increase in Avg. Premium	\$7	\$7	\$8	\$8	\$9	\$9	\$10	\$10	\$11	\$11
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$45.2</b>	<b>\$47.9</b>	<b>\$50.7</b>	<b>\$53.6</b>	<b>\$56.7</b>	<b>\$60.0</b>	<b>\$63.5</b>	<b>\$67.6</b>	<b>\$71.9</b>	<b>\$76.5</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$593.4</b>

### HIT-Related Federal, State Income Tax Revenue Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$14.7	-\$15.4	-\$16.1	-\$16.8	-\$17.6	-\$18.4	-\$19.2	-\$20.3	-\$21.4	-\$22.6
HIT-Related State Tax Revenue Impact (\$M)	-\$3.4	-\$3.5	-\$3.7	-\$3.8	-\$4.0	-\$4.2	-\$4.4	-\$4.6	-\$4.9	-\$5.1
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$182.4</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$41.5</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$5.9	-\$6.1	-\$6.4	-\$6.7	-\$7.0	-\$7.4	-\$7.7	-\$8.1	-\$8.6	-\$9.0
HIT-Related State Tax Revenue Impact (\$M)	-\$1.3	-\$1.4	-\$1.5	-\$1.5	-\$1.6	-\$1.7	-\$1.8	-\$1.8	-\$1.9	-\$2.1
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$73.0</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$16.6</b>

## RHODE ISLAND



- The HIT will increase Medicaid premiums by \$15.4 million in 2018 and by \$201.5 million over 10 years.
- Public-to-private sector cost-shifting will increase commercial plan premiums by a range of \$3.1 to \$7.7 million in 2018 and by a range of \$40.3 to \$100.7 million over 10 years.
- Federal tax revenue from the state would decline by a range of \$4.9 to \$12.3 million over 10 years; state tax revenue would decline by a range of \$2.2 to \$5.5 million over 10 years.

### Impact on Medicaid health plans ends up being paid for by States, Federal Government

Increase in Medicaid Premiums under HIT (\$M)	
2018	\$15.4
2019	\$16.2
2020	\$17.2
2021	\$18.2
2022	\$19.3
2023	\$20.4
2024	\$21.6
2025	\$22.9
2026	\$24.4
2027	\$26.0
<b>10-Yr Impact</b>	<b>\$201.5</b>

- Of the \$15.4M in premiums collected by insurers associated with their Medicaid business in 2018, \$7.9M will be paid for by the federal government, and \$7.5M will be paid by the state.
- In Rhode Island, the additional Medicaid premium to be paid as a result of the HIT growth is more than \$201 million over the next 10 years.

### Public-to-Private Sector Cost-Shift Impact

This study assesses the indirect impacts on health care premiums in private markets, participation by consumers in those markets, and federal and state budget impacts resulting from the imposition of the HIT on state Medicaid programs. Assuming states reduce provider payments to address budget shortfalls, premiums for commercial insurance will increase as providers shift costs onto privately insured individuals. The changes in commercial insurance enrollment, changes in average premiums, and changes in total premiums, resulting from the cost-shift to commercial plans are presented under two scenarios – a “High Cost-Shift” (50%) and a “Low Cost-Shift” (20%) – based on a literature review. In addition, the federal and state income tax impacts due to reduced wages and employment are presented under both scenarios.

### HIT-Related Commercial Insurance Market Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-101	-89	-91	-92	-93	-94	-95	-98	-99	-101
HIT-Related Increase in Avg. Premium	\$16	\$17	\$18	\$19	\$20	\$21	\$23	\$24	\$26	\$27
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$7.7</b>	<b>\$8.1</b>	<b>\$8.6</b>	<b>\$9.1</b>	<b>\$9.6</b>	<b>\$10.2</b>	<b>\$10.8</b>	<b>\$11.5</b>	<b>\$12.2</b>	<b>\$13.0</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$100.7</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-40	-36	-36	-37	-37	-38	-38	-39	-40	-40
HIT-Related Increase in Avg. Premium	\$7	\$7	\$7	\$8	\$8	\$9	\$9	\$10	\$10	\$11
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$3.1</b>	<b>\$3.2</b>	<b>\$3.4</b>	<b>\$3.6</b>	<b>\$3.9</b>	<b>\$4.1</b>	<b>\$4.3</b>	<b>\$4.6</b>	<b>\$4.9</b>	<b>\$5.2</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$40.3</b>

### HIT-Related Federal, State Income Tax Revenue Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$1.0	-\$1.0	-\$1.1	-\$1.1	-\$1.2	-\$1.2	-\$1.3	-\$1.4	-\$1.5	-\$1.5
HIT-Related State Tax Revenue Impact (\$M)	-\$0.4	-\$0.5	-\$0.5	-\$0.5	-\$0.5	-\$0.6	-\$0.6	-\$0.6	-\$0.6	-\$0.7
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$12.3</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$5.5</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$0.4	-\$0.4	-\$0.4	-\$0.5	-\$0.5	-\$0.5	-\$0.5	-\$0.6	-\$0.6	-\$0.6
HIT-Related State Tax Revenue Impact (\$M)	-\$0.2	-\$0.2	-\$0.2	-\$0.2	-\$0.2	-\$0.2	-\$0.2	-\$0.2	-\$0.3	-\$0.3
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$4.9</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$2.2</b>

## SOUTH CAROLINA



- The HIT will increase Medicaid premiums by \$84.8 million in 2018 and by \$1.11 billion over 10 years.
- Public-to-private sector cost-shifting will increase commercial plan premiums by a range of \$17.0 to \$42.4 million in 2018 and by a range of \$222.6 to \$556.6 million over 10 years.
- Federal tax revenue from the state would decline by a range of \$26.8 to \$67.0 million over 10 years; state tax revenue would decline by a range of \$13.9 to \$34.7 million over 10 years.

### Impact on Medicaid health plans ends up being paid for by States, Federal Government

Increase in Medicaid Premiums under HIT (\$M)	
2018	\$84.8
2019	\$89.8
2020	\$95.0
2021	\$100.5
2022	\$106.4
2023	\$112.5
2024	\$119.1
2025	\$126.7
2026	\$134.8
2027	\$143.4
<b>10-Yr Impact</b>	<b>\$1,113.2</b>

- Of the \$84.8M in premiums collected by insurers associated with their Medicaid business in 2018, \$60.7M will be paid for by the federal government, and \$24.1M will be paid by the state.
- In South Carolina, the additional Medicaid premium to be paid as a result of the HIT growth is more than \$1.1 billion over the next 10 years.

### Public-to-Private Sector Cost-Shift Impact

This study assesses the indirect impacts on health care premiums in private markets, participation by consumers in those markets, and federal and state budget impacts resulting from the imposition of the HIT on state Medicaid programs. Assuming states reduce provider payments to address budget shortfalls, premiums for commercial insurance will increase as providers shift costs onto privately insured individuals. The changes in commercial insurance enrollment, changes in average premiums, and changes in total premiums, resulting from the cost-shift to commercial plans are presented under two scenarios – a “High Cost-Shift” (50%) and a “Low Cost-Shift” (20%) – based on a literature review. In addition, the federal and state income tax impacts due to reduced wages and employment are presented under both scenarios.

### HIT-Related Commercial Insurance Market Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-638	-588	-600	-609	-615	-622	-629	-642	-654	-666
HIT-Related Increase in Avg. Premium	\$22	\$24	\$25	\$26	\$28	\$30	\$31	\$33	\$35	\$38
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$42.4</b>	<b>\$44.9</b>	<b>\$47.5</b>	<b>\$50.3</b>	<b>\$53.2</b>	<b>\$56.3</b>	<b>\$59.6</b>	<b>\$63.4</b>	<b>\$67.4</b>	<b>\$71.7</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$556.6</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-255	-235	-240	-243	-246	-249	-251	-257	-262	-266
HIT-Related Increase in Avg. Premium	\$9	\$9	\$10	\$11	\$11	\$12	\$13	\$13	\$14	\$15
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$17.0</b>	<b>\$18.0</b>	<b>\$19.0</b>	<b>\$20.1</b>	<b>\$21.3</b>	<b>\$22.5</b>	<b>\$23.8</b>	<b>\$25.3</b>	<b>\$27.0</b>	<b>\$28.7</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$222.6</b>

### HIT-Related Federal, State Income Tax Revenue Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$5.4	-\$5.7	-\$5.9	-\$6.2	-\$6.5	-\$6.7	-\$7.1	-\$7.4	-\$7.8	-\$8.3
HIT-Related State Tax Revenue Impact (\$M)	-\$2.8	-\$2.9	-\$3.1	-\$3.2	-\$3.3	-\$3.5	-\$3.7	-\$3.9	-\$4.1	-\$4.3
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$67.0</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$34.7</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$2.2	-\$2.3	-\$2.4	-\$2.5	-\$2.6	-\$2.7	-\$2.8	-\$3.0	-\$3.1	-\$3.3
HIT-Related State Tax Revenue Impact (\$M)	-\$1.1	-\$1.2	-\$1.2	-\$1.3	-\$1.3	-\$1.4	-\$1.5	-\$1.5	-\$1.6	-\$1.7
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$26.8</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$13.9</b>

## TENNESSEE



- The HIT will increase Medicaid premiums by \$187.6 million in 2018 and by \$2.46 billion over 10 years.
- Public-to-private sector cost-shifting will increase commercial plan premiums by a range of \$37.5 to \$93.8 million in 2018 and by a range of \$492.4 million to \$1.23 billion over 10 years.
- Federal tax revenue from the state would decline by a range of \$57.7 to \$144.4 million over 10 years; state tax revenue would decline by a range of \$21.4 to \$53.5 million over 10 years.

### Impact on Medicaid health plans ends up being paid for by States, Federal Government

Increase in Medicaid Premiums under HIT (\$M)	
2018	\$187.6
2019	\$198.5
2020	\$210.2
2021	\$222.4
2022	\$235.2
2023	\$248.9
2024	\$263.4
2025	\$280.3
2026	\$298.2
2027	\$317.2
<b>10-Yr Impact</b>	<b>\$2,462.0</b>

- Of the \$187.6M in premiums collected by insurers associated with their Medicaid business in 2018, \$123.5M will be paid for by the federal government, and \$64.1M will be paid by the state.
- In Tennessee, the additional Medicaid premium to be paid as a result of the HIT growth is more than \$2.46 billion over the next 10 years.

### Public-to-Private Sector Cost-Shift Impact

This study assesses the indirect impacts on health care premiums in private markets, participation by consumers in those markets, and federal and state budget impacts resulting from the imposition of the HIT on state Medicaid programs. Assuming states reduce provider payments to address budget shortfalls, premiums for commercial insurance will increase as providers shift costs onto privately insured individuals. The changes in commercial insurance enrollment, changes in average premiums, and changes in total premiums, resulting from the cost-shift to commercial plans are presented under two scenarios – a “High Cost-Shift” (50%) and a “Low Cost-Shift” (20%) – based on a literature review. In addition, the federal and state income tax impacts due to reduced wages and employment are presented under both scenarios.

### HIT-Related Commercial Insurance Market Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-1,615	-1,536	-1,567	-1,592	-1,610	-1,629	-1,648	-1,685	-1,718	-1,750
HIT-Related Increase in Avg. Premium	\$35	\$37	\$39	\$41	\$43	\$46	\$49	\$52	\$55	\$59
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$93.8</b>	<b>\$99.3</b>	<b>\$105.1</b>	<b>\$111.2</b>	<b>\$117.6</b>	<b>\$124.4</b>	<b>\$131.7</b>	<b>\$140.1</b>	<b>\$149.1</b>	<b>\$158.6</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$1,231.0</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-646	-614	-627	-637	-644	-651	-659	-674	-687	-700
HIT-Related Increase in Avg. Premium	\$14	\$15	\$15	\$16	\$17	\$18	\$19	\$21	\$22	\$23
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$37.5</b>	<b>\$39.7</b>	<b>\$42.0</b>	<b>\$44.5</b>	<b>\$47.0</b>	<b>\$49.8</b>	<b>\$52.7</b>	<b>\$56.1</b>	<b>\$59.6</b>	<b>\$63.4</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$492.4</b>

### HIT-Related Federal, State Income Tax Revenue Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$11.7	-\$12.2	-\$12.8	-\$13.3	-\$13.9	-\$14.5	-\$15.2	-\$16.0	-\$16.9	-\$17.8
HIT-Related State Tax Revenue Impact (\$M)	-\$4.3	-\$4.5	-\$4.7	-\$4.9	-\$5.2	-\$5.4	-\$5.6	-\$5.9	-\$6.2	-\$6.6
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$144.4</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$53.5</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$4.7	-\$4.9	-\$5.1	-\$5.3	-\$5.6	-\$5.8	-\$6.1	-\$6.4	-\$6.7	-\$7.1
HIT-Related State Tax Revenue Impact (\$M)	-\$1.7	-\$1.8	-\$1.9	-\$2.0	-\$2.1	-\$2.2	-\$2.3	-\$2.4	-\$2.5	-\$2.6
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$57.7</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$21.4</b>

## TEXAS



- The HIT will increase Medicaid premiums by \$450.0 million in 2018 and by \$5.9 billion over 10 years.
- Public-to-private sector cost-shifting will increase commercial plan premiums by a range of \$90 to \$225 million in 2018 and by a range of \$1.18 to \$2.95 billion over 10 years.
- Federal tax revenue from the state would decline by a range of \$144.5 to \$361.3 million over 10 years; state tax revenue would not be impacted.

### Impact on Medicaid health plans ends up being paid for by States, Federal Government

Increase in Medicaid Premiums under HIT (\$M)	
2018	\$450.0
2019	\$476.2
2020	\$504.2
2021	\$533.4
2022	\$564.2
2023	\$597.0
2024	\$631.9
2025	\$672.3
2026	\$715.3
2027	\$761.0
<b>10-Yr Impact</b>	<b>\$5,905.5</b>

- Of the \$450M in premiums collected by insurers associated with their Medicaid business in 2018, \$256M will be paid for by the federal government, and \$194M will be paid by the state.
- In Texas, the additional Medicaid premium to be paid as a result of the HIT growth is about \$5.9 billion over the next 10 years

### Public-to-Private Sector Cost-Shift Impact

This study assesses the indirect impacts on health care premiums in private markets, participation by consumers in those markets, and federal and state budget impacts resulting from the imposition of the HIT on state Medicaid programs. Assuming states reduce provider payments to address budget shortfalls, premiums for commercial insurance will increase as providers shift costs onto privately insured individuals. The changes in commercial insurance enrollment, changes in average premiums, and changes in total premiums, resulting from the cost-shift to commercial plans are presented under two scenarios – a “High Cost-Shift” (50%) and a “Low Cost-Shift” (20%) – based on a literature review. In addition, the federal and state income tax impacts due to reduced wages and employment are presented under both scenarios.

### HIT-Related Commercial Insurance Market Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-3,511	-3,235	-3,295	-3,342	-3,376	-3,410	-3,445	-3,518	-3,580	-3,642
HIT-Related Increase in Avg. Premium	\$19	\$20	\$22	\$23	\$24	\$26	\$27	\$29	\$31	\$33
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$225.0</b>	<b>\$238.1</b>	<b>\$252.1</b>	<b>\$266.7</b>	<b>\$282.1</b>	<b>\$298.5</b>	<b>\$316.0</b>	<b>\$336.1</b>	<b>\$357.6</b>	<b>\$380.5</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$2,952.7</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-1,404	-1,294	-1,318	-1,337	-1,350	-1,364	-1,378	-1,407	-1,432	-1,457
HIT-Related Increase in Avg. Premium	\$8	\$8	\$9	\$9	\$10	\$10	\$11	\$12	\$12	\$13
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$90.0</b>	<b>\$95.2</b>	<b>\$100.8</b>	<b>\$106.7</b>	<b>\$112.8</b>	<b>\$119.4</b>	<b>\$126.4</b>	<b>\$134.5</b>	<b>\$143.1</b>	<b>\$152.2</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$1,181.1</b>

### HIT-Related Federal, State Income Tax Revenue Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$29.3	-\$30.5	-\$31.9	-\$33.3	-\$34.8	-\$36.4	-\$38.1	-\$40.1	-\$42.3	-\$44.6
HIT-Related State Tax Revenue Impact (\$M)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$361.3</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>N/A</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$11.7	-\$12.2	-\$12.8	-\$13.3	-\$13.9	-\$14.6	-\$15.2	-\$16.1	-\$16.9	-\$17.8
HIT-Related State Tax Revenue Impact (\$M)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$144.5</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>N/A</b>

## UTAH



- The HIT will increase Medicaid premiums by \$11.4 million in 2018 and by \$149 million over 10 years.
- Public-to-private sector cost-shifting will increase commercial plan premiums by a range of \$2.3 to \$5.7 million in 2018 and by a range of \$29.8 to \$74.5 million over 10 years.
- Federal tax revenue from the state would decline by a range of \$3.4 to \$8.4 million over 10 years; state tax revenue would decline by a range of \$1.3 to \$3.1 million over 10 years.

### Impact on Medicaid health plans ends up being paid for by States, Federal Government

Increase in Medicaid Premiums under HIT (\$M)	
2018	\$11.4
2019	\$12.0
2020	\$12.7
2021	\$13.5
2022	\$14.2
2023	\$15.1
2024	\$15.9
2025	\$17.0
2026	\$18.0
2027	\$19.2
<b>10-Yr Impact</b>	<b>\$149.0</b>

- Of the \$11.4M in premiums collected by insurers associated with their Medicaid business in 2018, \$8M will be paid for by the federal government, and \$3.4M will be paid by the state.
- In Utah, the additional Medicaid premium to be paid as a result of the HIT growth is more than \$149 million over the next 10 years.

### Public-to-Private Sector Cost-Shift Impact

This study assesses the indirect impacts on health care premiums in private markets, participation by consumers in those markets, and federal and state budget impacts resulting from the imposition of the HIT on state Medicaid programs. Assuming states reduce provider payments to address budget shortfalls, premiums for commercial insurance will increase as providers shift costs onto privately insured individuals. The changes in commercial insurance enrollment, changes in average premiums, and changes in total premiums, resulting from the cost-shift to commercial plans are presented under two scenarios – a “High Cost-Shift” (50%) and a “Low Cost-Shift” (20%) – based on a literature review. In addition, the federal and state income tax impacts due to reduced wages and employment are presented under both scenarios.

### HIT-Related Commercial Insurance Market Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-115	-111	-113	-115	-115	-116	-117	-120	-122	-124
HIT-Related Increase in Avg. Premium	\$4	\$4	\$5	\$5	\$5	\$5	\$6	\$6	\$7	\$7
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$5.7</b>	<b>\$6.0</b>	<b>\$6.4</b>	<b>\$6.7</b>	<b>\$7.1</b>	<b>\$7.5</b>	<b>\$8.0</b>	<b>\$8.5</b>	<b>\$9.0</b>	<b>\$9.6</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$74.5</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-46	-45	-45	-46	-46	-47	-47	-48	-49	-49
HIT-Related Increase in Avg. Premium	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$3	\$3
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$2.3</b>	<b>\$2.4</b>	<b>\$2.5</b>	<b>\$2.7</b>	<b>\$2.8</b>	<b>\$3.0</b>	<b>\$3.2</b>	<b>\$3.4</b>	<b>\$3.6</b>	<b>\$3.8</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$29.8</b>

### HIT-Related Federal, State Income Tax Revenue Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$0.7	-\$0.7	-\$0.7	-\$0.8	-\$0.8	-\$0.8	-\$0.9	-\$0.9	-\$1.0	-\$1.0
HIT-Related State Tax Revenue Impact (\$M)	-\$0.3	-\$0.3	-\$0.3	-\$0.3	-\$0.3	-\$0.3	-\$0.3	-\$0.3	-\$0.4	-\$0.4
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$8.4</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$3.1</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$0.3	-\$0.3	-\$0.3	-\$0.3	-\$0.3	-\$0.3	-\$0.4	-\$0.4	-\$0.4	-\$0.4
HIT-Related State Tax Revenue Impact (\$M)	-\$0.1	-\$0.1	-\$0.1	-\$0.1	-\$0.1	-\$0.1	-\$0.1	-\$0.1	-\$0.1	-\$0.2
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$3.4</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$1.3</b>

## VIRGINIA



- The HIT will increase Medicaid premiums by \$52.7 million in 2018 and by \$691.6 million over 10 years.
- Public-to-private sector cost-shifting will increase commercial plan premiums by a range of \$10.5 to \$26.3 million in 2018 and by a range of \$138.3 to \$345.8 million over 10 years.
- Federal tax revenue from the state would decline by a range of \$16.6 to \$41.4 million over 10 years; state tax revenue would decline by a range of \$7.1 to \$17.6 million over 10 years.

### Impact on Medicaid health plans ends up being paid for by States, Federal Government

Increase in Medicaid Premiums under HIT (\$M)	
2018	\$52.7
2019	\$55.8
2020	\$59.0
2021	\$62.5
2022	\$66.1
2023	\$69.9
2024	\$74.0
2025	\$78.7
2026	\$83.8
2027	\$89.1
<b>10-Yr Impact</b>	<b>\$691.6</b>

- Of the \$52.7M in premiums collected by insurers associated with their Medicaid business in 2018, \$26.3M will be paid for by the federal government, and \$26.3M will be paid by the state.
- In Virginia, the additional Medicaid premium to be paid as a result of the HIT growth is more than \$691 million over the next 10 years.

### Public-to-Private Sector Cost-Shift Impact

This study assesses the indirect impacts on health care premiums in private markets, participation by consumers in those markets, and federal and state budget impacts resulting from the imposition of the HIT on state Medicaid programs. Assuming states reduce provider payments to address budget shortfalls, premiums for commercial insurance will increase as providers shift costs onto privately insured individuals. The changes in commercial insurance enrollment, changes in average premiums, and changes in total premiums, resulting from the cost-shift to commercial plans are presented under two scenarios – a “High Cost-Shift” (50%) and a “Low Cost-Shift” (20%) – based on a literature review. In addition, the federal and state income tax impacts due to reduced wages and employment are presented under both scenarios.

### HIT-Related Commercial Insurance Market Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-409	-378	-384	-389	-393	-397	-401	-409	-416	-423
HIT-Related Increase in Avg. Premium	\$7	\$7	\$8	\$8	\$9	\$9	\$10	\$10	\$11	\$12
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$26.3</b>	<b>\$27.9</b>	<b>\$29.5</b>	<b>\$31.2</b>	<b>\$33.0</b>	<b>\$35.0</b>	<b>\$37.0</b>	<b>\$39.4</b>	<b>\$41.9</b>	<b>\$44.6</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$345.8</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-164	-151	-154	-156	-157	-159	-160	-164	-166	-169
HIT-Related Increase in Avg. Premium	\$3	\$3	\$3	\$3	\$3	\$4	\$4	\$4	\$4	\$5
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$10.5</b>	<b>\$11.2</b>	<b>\$11.8</b>	<b>\$12.5</b>	<b>\$13.2</b>	<b>\$14.0</b>	<b>\$14.8</b>	<b>\$15.7</b>	<b>\$16.8</b>	<b>\$17.8</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$138.3</b>

### HIT-Related Federal, State Income Tax Revenue Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$3.4	-\$3.5	-\$3.7	-\$3.8	-\$4.0	-\$4.2	-\$4.4	-\$4.6	-\$4.8	-\$5.1
HIT-Related State Tax Revenue Impact (\$M)	-\$1.4	-\$1.5	-\$1.6	-\$1.6	-\$1.7	-\$1.8	-\$1.9	-\$2.0	-\$2.1	-\$2.2
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$41.4</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$17.6</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$1.3	-\$1.4	-\$1.5	-\$1.5	-\$1.6	-\$1.7	-\$1.7	-\$1.8	-\$1.9	-\$2.0
HIT-Related State Tax Revenue Impact (\$M)	-\$0.6	-\$0.6	-\$0.6	-\$0.6	-\$0.7	-\$0.7	-\$0.7	-\$0.8	-\$0.8	-\$0.9
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$16.6</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$7.1</b>

## WASHINGTON



- The HIT will increase Medicaid premiums by \$126.6 million in 2018 and by \$1.66 billion over 10 years.
- Public-to-private sector cost-shifting will increase commercial plan premiums by a range of \$25.3 to \$63.3 million in 2018 and by a range of \$332.2 to \$830.5 million over 10 years.
- Federal tax revenue from the state would decline by a range of \$40.8 to \$101.9 million over 10 years; state tax revenue would not be impacted.

### Impact on Medicaid health plans ends up being paid for by States, Federal Government

Increase in Medicaid Premiums under HIT (\$M)	
2018	\$126.6
2019	\$133.9
2020	\$141.8
2021	\$150.0
2022	\$158.7
2023	\$167.9
2024	\$177.7
2025	\$189.1
2026	\$201.2
2027	\$214.0
<b>10-Yr Impact</b>	<b>\$1,661.0</b>

- Of the \$126.6M in premiums collected by insurers associated with their Medicaid business in 2018, \$63.3M will be paid for by the federal government, and \$63.3M will be paid by the state.
- In Washington, the additional Medicaid premium to be paid as a result of the HIT growth is more than \$1.66 billion over the next 10 years.

### Public-to-Private Sector Cost-Shift Impact

This study assesses the indirect impacts on health care premiums in private markets, participation by consumers in those markets, and federal and state budget impacts resulting from the imposition of the HIT on state Medicaid programs. Assuming states reduce provider payments to address budget shortfalls, premiums for commercial insurance will increase as providers shift costs onto privately insured individuals. The changes in commercial insurance enrollment, changes in average premiums, and changes in total premiums, resulting from the cost-shift to commercial plans are presented under two scenarios – a “High Cost-Shift” (50%) and a “Low Cost-Shift” (20%) – based on a literature review. In addition, the federal and state income tax impacts due to reduced wages and employment are presented under both scenarios.

### HIT-Related Commercial Insurance Market Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-945	-881	-899	-914	-925	-936	-947	-969	-987	-1,006
HIT-Related Increase in Avg. Premium	\$23	\$24	\$25	\$27	\$28	\$30	\$32	\$34	\$36	\$38
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$63.3</b>	<b>\$67.0</b>	<b>\$70.9</b>	<b>\$75.0</b>	<b>\$79.3</b>	<b>\$83.9</b>	<b>\$88.9</b>	<b>\$94.5</b>	<b>\$100.6</b>	<b>\$107.0</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$830.5</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-378	-352	-360	-365	-370	-374	-379	-387	-395	-402
HIT-Related Increase in Avg. Premium	\$9	\$10	\$10	\$11	\$11	\$12	\$13	\$13	\$14	\$15
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$25.3</b>	<b>\$26.8</b>	<b>\$28.4</b>	<b>\$30.0</b>	<b>\$31.7</b>	<b>\$33.6</b>	<b>\$35.5</b>	<b>\$37.8</b>	<b>\$40.2</b>	<b>\$42.8</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$332.2</b>

### HIT-Related Federal, State Income Tax Revenue Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$8.2	-\$8.6	-\$9.0	-\$9.4	-\$9.8	-\$10.3	-\$10.8	-\$11.3	-\$11.9	-\$12.6
HIT-Related State Tax Revenue Impact (\$M)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$101.9</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>N/A</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$3.3	-\$3.4	-\$3.6	-\$3.8	-\$3.9	-\$4.1	-\$4.3	-\$4.5	-\$4.8	-\$5.0
HIT-Related State Tax Revenue Impact (\$M)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$40.8</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>N/A</b>

## WEST VIRGINIA

- The HIT will increase Medicaid premiums by \$41.0 million in 2018 and by \$537.9 million over 10 years.
- Public-to-private sector cost-shifting will increase commercial plan premiums by a range of \$8.2 to \$20.5 million in 2018 and by a range of \$107.6 to \$268.9 million over 10 years.
- Federal tax revenue from the state would decline by a range of \$13.1 to \$32.9 million over 10 years; state tax revenue would decline by a range of \$6.3 to \$15.8 million over 10 years.



### Impact on Medicaid health plans ends up being paid for by States, Federal Government

Increase in Medicaid Premiums under HIT (\$M)	
2018	\$41.0
2019	\$43.4
2020	\$45.9
2021	\$48.6
2022	\$51.4
2023	\$54.4
2024	\$57.6
2025	\$61.2
2026	\$65.1
2027	\$69.3
<b>10-Yr Impact</b>	<b>\$537.9</b>

- Of the \$41M in premiums collected by insurers associated with their Medicaid business in 2018, \$30M will be paid for by the federal government, and \$11M will be paid by the state.
- In West Virginia, the additional Medicaid premium to be paid as a result of the HIT growth is more than \$537 million over the next 10 years.

### Public-to-Private Sector Cost-Shift Impact

This study assesses the indirect impacts on health care premiums in private markets, participation by consumers in those markets, and federal and state budget impacts resulting from the imposition of the HIT on state Medicaid programs. Assuming states reduce provider payments to address budget shortfalls, premiums for commercial insurance will increase as providers shift costs onto privately insured individuals. The changes in commercial insurance enrollment, changes in average premiums, and changes in total premiums, resulting from the cost-shift to commercial plans are presented under two scenarios – a “High Cost-Shift” (50%) and a “Low Cost-Shift” (20%) – based on a literature review. In addition, the federal and state income tax impacts due to reduced wages and employment are presented under both scenarios.

### HIT-Related Commercial Insurance Market Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-242	-211	-216	-219	-222	-224	-227	-232	-237	-241
HIT-Related Increase in Avg. Premium	\$34	\$36	\$38	\$40	\$42	\$45	\$48	\$51	\$54	\$57
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$20.5</b>	<b>\$21.7</b>	<b>\$23.0</b>	<b>\$24.3</b>	<b>\$25.7</b>	<b>\$27.2</b>	<b>\$28.8</b>	<b>\$30.6</b>	<b>\$32.6</b>	<b>\$34.7</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$268.9</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-97	-84	-86	-88	-89	-90	-91	-93	-95	-97
HIT-Related Increase in Avg. Premium	\$14	\$14	\$15	\$16	\$17	\$18	\$19	\$20	\$22	\$23
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$8.2</b>	<b>\$8.7</b>	<b>\$9.2</b>	<b>\$9.7</b>	<b>\$10.3</b>	<b>\$10.9</b>	<b>\$11.5</b>	<b>\$12.2</b>	<b>\$13.0</b>	<b>\$13.9</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$107.6</b>

### HIT-Related Federal, State Income Tax Revenue Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$2.6	-\$2.8	-\$2.9	-\$3.0	-\$3.2	-\$3.3	-\$3.5	-\$3.7	-\$3.9	-\$4.1
HIT-Related State Tax Revenue Impact (\$M)	-\$1.3	-\$1.3	-\$1.4	-\$1.5	-\$1.5	-\$1.6	-\$1.7	-\$1.8	-\$1.9	-\$2.0
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$32.9</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$15.8</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$1.1	-\$1.1	-\$1.2	-\$1.2	-\$1.3	-\$1.3	-\$1.4	-\$1.5	-\$1.5	-\$1.6
HIT-Related State Tax Revenue Impact (\$M)	-\$0.5	-\$0.5	-\$0.6	-\$0.6	-\$0.6	-\$0.6	-\$0.7	-\$0.7	-\$0.7	-\$0.8
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$13.1</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$6.3</b>

## WISCONSIN



- The HIT will increase Medicaid premiums by \$35.7 million in 2018 and by \$468.4 million over 10 years.
- Public-to-private sector cost-shifting will increase commercial plan premiums by a range of \$7.1 to \$17.8 million in 2018 and by a range of \$93.7 to \$234.2 million over 10 years.
- Federal tax revenue from the state would decline by a range of \$11.3 to \$28.2 million over 10 years; state tax revenue would decline by a range of \$6.4 to \$16.0 million over 10 years.

### Impact on Medicaid health plans ends up being paid for by States, Federal Government

Increase in Medicaid Premiums under HIT (\$M)	
2018	\$35.7
2019	\$37.8
2020	\$40.0
2021	\$42.3
2022	\$44.8
2023	\$47.4
2024	\$50.1
2025	\$53.3
2026	\$56.7
2027	\$60.4
<b>10-Yr Impact</b>	<b>\$468.4</b>

- Of the \$35.7M in premiums collected by insurers associated with their Medicaid business in 2018, \$21M will be paid for by the federal government, and \$14.7M will be paid by the state.
- In Wisconsin, the additional Medicaid premium to be paid as a result of the HIT growth is more than \$468 million over the next 10 years.

### Public-to-Private Sector Cost-Shift Impact

This study assesses the indirect impacts on health care premiums in private markets, participation by consumers in those markets, and federal and state budget impacts resulting from the imposition of the HIT on state Medicaid programs. Assuming states reduce provider payments to address budget shortfalls, premiums for commercial insurance will increase as providers shift costs onto privately insured individuals. The changes in commercial insurance enrollment, changes in average premiums, and changes in total premiums, resulting from the cost-shift to commercial plans are presented under two scenarios – a “High Cost-Shift” (50%) and a “Low Cost-Shift” (20%) – based on a literature review. In addition, the federal and state income tax impacts due to reduced wages and employment are presented under both scenarios.

### HIT-Related Commercial Insurance Market Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-257	-231	-236	-239	-241	-243	-246	-251	-255	-259
HIT-Related Increase in Avg. Premium	\$6	\$7	\$7	\$8	\$8	\$9	\$9	\$10	\$10	\$11
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$17.8</b>	<b>\$18.9</b>	<b>\$20.0</b>	<b>\$21.2</b>	<b>\$22.4</b>	<b>\$23.7</b>	<b>\$25.1</b>	<b>\$26.7</b>	<b>\$28.4</b>	<b>\$30.2</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$234.2</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Decrease in Coverage	-103	-93	-94	-96	-96	-97	-98	-100	-102	-104
HIT-Related Increase in Avg. Premium	\$3	\$3	\$3	\$3	\$3	\$3	\$4	\$4	\$4	\$4
<b>Additional Premium – Total Impact (\$M)</b>	<b>\$7.1</b>	<b>\$7.6</b>	<b>\$8.0</b>	<b>\$8.5</b>	<b>\$9.0</b>	<b>\$9.5</b>	<b>\$10.0</b>	<b>\$10.7</b>	<b>\$11.3</b>	<b>\$12.1</b>
<b>Cumulative 10-Year Impact (\$M)</b>										<b>\$93.7</b>

### HIT-Related Federal, State Income Tax Revenue Impact

High Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$2.3	-\$2.4	-\$2.5	-\$2.6	-\$2.7	-\$2.8	-\$3.0	-\$3.1	-\$3.3	-\$3.5
HIT-Related State Tax Revenue Impact (\$M)	-\$1.3	-\$1.4	-\$1.4	-\$1.5	-\$1.5	-\$1.6	-\$1.7	-\$1.8	-\$1.9	-\$2.0
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$28.2</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$16.0</b>

Low Cost-Shift Scenario	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
HIT-Related Fed. Tax Revenue Impact (\$M)	-\$0.9	-\$1.0	-\$1.0	-\$1.0	-\$1.1	-\$1.1	-\$1.2	-\$1.3	-\$1.3	-\$1.4
HIT-Related State Tax Revenue Impact (\$M)	-\$0.5	-\$0.5	-\$0.6	-\$0.6	-\$0.6	-\$0.6	-\$0.7	-\$0.7	-\$0.8	-\$0.8
<b>Cumulative 10-Year Impact - Federal (\$M)</b>										<b>-\$11.3</b>
<b>Cumulative 10-Year Impact - State (\$M)</b>										<b>-\$6.4</b>

## PUERTO RICO

- The HIT will increase Medicaid premiums by \$80.8 million in 2018 and by \$1.06 billion over 10 years.
- *Public-to-private sector cost-shifting impacts on commercial plan premiums are not available for Puerto Rico due to limited data on commercial markets.*
- *Federal tax revenue revenue impacts are not available for Puerto Rico due to limited data on commercial markets.*

### Impact on Medicaid health plans ends up being paid for by States, Federal Government

Increase in Medicaid Premiums under HIT (\$M)	
2018	\$80.8
2019	\$85.5
2020	\$90.6
2021	\$95.8
2022	\$101.4
2023	\$107.2
2024	\$113.5
2025	\$120.8
2026	\$128.5
2027	\$136.7
<b>10-Yr Impact</b>	<b>\$1,060.8</b>

- Of the \$80.8M in premiums collected by insurers associated with their Medicaid business in 2018, \$44.4M will be paid for by the federal government, and \$36.4M will be paid by the territory.
- In Puerto Rico, the additional Medicaid premium to be paid as a result of the HIT growth is more than \$1.06 billion over the next 10 years.

### Public-to-Private Sector Cost-Shift Impact

This study assesses the indirect impacts on health care premiums in private markets, participation by consumers in those markets, and federal and state budget impacts resulting from the imposition of the HIT on state Medicaid programs. Assuming states reduce provider payments to address budget shortfalls, premiums for commercial insurance will increase as providers shift costs onto privately insured individuals. The changes in commercial insurance enrollment, changes in average premiums, and changes in total premiums, resulting from the cost-shift to commercial plans are presented under two scenarios – a “High Cost-Shift” (50%) and a “Low Cost-Shift” (20%) – based on a literature review. In addition, the federal and state income tax impacts due to reduced wages and employment are presented under both scenarios.

### HIT-Related Commercial Insurance Market Impact

*Public-to-private sector cost-shifting impacts on commercial plan premiums are not available for Puerto Rico due to limited data on commercial markets*

### HIT-Related Federal, State Income Tax Revenue Impact

*Federal tax revenue revenue impacts are not available for Puerto Rico due to limited data on commercial markets*