

# Tax on Health Insurance is a Tax That Could Harm Low & Middle Income Seniors

ADVOCACY ALERT SEPTEMBER 2017

## THE ISSUE: TAX ON HEALTH INSURANCE SET TO HIT SENIORS IN 2018

The Tax on Health Insurance was suspended for 2017 by Congress because it was raising costs for seniors, people with disabilities, consumers and small employers.

Unless Congress delays the Tax on Health Insurance for 2018, the Tax will return on **January 1, 2018**.

**If Congress allows the Tax on Health Insurance to return, 19 million beneficiaries enrolled in Medicare Advantage - many living on low, fixed incomes - would face higher premiums, reduced benefits and higher out-of-pocket costs.<sup>1</sup>**



## IMPACT: HIGHER PREMIUMS FOR SENIORS WHO RELY ON MEDICARE ADVANTAGE

Medicare Advantage provides comprehensive health care that protects beneficiaries from unforeseen medical costs, coordinates care for those with chronic illnesses, and minimizes disease progression to keep beneficiaries as healthy as possible.

Medicare Advantage is a particularly important coverage option and often a lifeline for seniors on fixed-income and historically disadvantaged beneficiaries:

- > **37%** of Medicare Advantage beneficiaries live on annual incomes of \$20,000 or less.
- > **26%** of beneficiaries dually eligible for Medicare and Medicaid are served by Medicare Advantage.
- > **44%** of Hispanic Medicare beneficiaries choose to enroll in Medicare Advantage.
- > **37%** of African-American Medicare beneficiaries choose to enroll in Medicare Advantage.<sup>2</sup>

**According to actuarial analyses by Oliver Wyman, if Congress does not delay the Tax on Health Insurance for 2018, Medicare Advantage beneficiaries could see their premiums go up by \$245 per person—nearly \$500 for a senior couple.<sup>3</sup>**

If Congress allows the Tax on Health Insurance to return, it will disproportionately harm the very Medicare beneficiaries who cannot afford these higher costs.

**ACTION**

**Congress Should Act Now to Protect Seniors by Voting for a One Year Delay on the Tax on Health Insurance**

# Citations

<sup>1</sup> <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/MCRAdvPartDENrolData/index.html>

<sup>2</sup> <https://www.cms.gov/Research-Statistics-Data-and-Systems/Research/MCBS/index.html>

<sup>3</sup> [http://health.oliverwyman.com/transform-care/2017/08/analysis\\_HIT\\_impact.html](http://health.oliverwyman.com/transform-care/2017/08/analysis_HIT_impact.html)

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## Better Medicare Alliance is the leading coalition on Medicare Advantage.

Our mission is to build a healthy future by advocating for a strong Medicare Advantage. As a community of experts, we're leading the way on health care through research, advocacy, and grassroots organization. Together, we're creating a path forward for innovative, modern health care.

For more information, please visit [www.bettermedicarealliance.org](http://www.bettermedicarealliance.org).

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