

The Affordable Care Act (ACA) includes several taxes and fees that impact health insurance plan sponsors. This guide helps outline some of these fees, including their estimated impacts and effective dates.

Provision	Description	Estimate, 2010-2019 (JCT, JCX-17-10, March 20, 2010) (Unless Otherwise Noted) Billions of Dollars	Effective Date
Annual Fee on Health Insurance Providers (Health Insurance Tax) <i>Insured</i>	<p>Imposes aggregate annual tax apportioned among health insurers of “United States health risks” based on relative market share.</p> <p>Annual tax burden shared by health insurers:</p> <ul style="list-style-type: none"> • 2014: \$8 billion; • 2015: \$11.3 billion; • 2016: \$11.3 billion; • 2017: \$0 (suspended); and • 2018: \$14.3 billion. <p>After 2018: The applicable tax is indexed to the rate of premium growth</p> <p>ACA § 9010; Consolidated Appropriations Act, 2016, Pub. L. No. 114-113, Div. P, § 201; 26 U.S.C.A. Subtitle D, References and Annotations, preceding § 4001</p>	\$178 (2016-2026; CBO, The Budget and Economic Outlook: 2016-2026, January 2016)	2014 – 2018
High Value Employer-Sponsored (“Cadillac”) Plan Excise Tax <i>Insured / Self-funded</i>	<p>Excise tax of 40 percent on health insurers and self-insured plans on the aggregate value of employer-sponsored health coverage for an employee that exceeds threshold amounts of \$10,200 self only, \$27,500 other than self only, adjusted for inflation, age and gender, and for certain high-risk professions.</p> <p>ACA § 9001; Consolidated Appropriations Act, 2016, Pub. L. No. 114-113, Div. P, §§ 101-103; 26 U.S.C. § 49801.</p>	\$20 ² (2016-2026; CBO, The Budget and Economic Outlook: 2016-2026, January 2016)	2020
Patient-Centered Outcomes Research Trust Fund Fee <i>Insured / Self-funded</i>	<p>Assesses \$1 multiplied by the number of lives covered under each health insurance policy or self-insured health plan, and Medicare Part A and B in FY 2013, and \$2 (growing at the rate of per capita growth in health expenditures) in 2014-19.</p> <p>For policy years and plan years ending on or after October 1, 2016, and before October 1, 2016, the adjusted applicable dollar amount is \$2.17.</p> <p>§ 6301(e)(2); 26 U.S.C. §§ 4375-4377; Notice 2015-60.</p>	\$2.6	Plan and policy years ending after September 30, 2012; cannot be imposed for plan or policy years ending after September 30, 2019.
Transitional Reinsurance Fee <i>Insured / Self-funded</i>	<p>Stabilizes premiums in the individual market inside and outside of the marketplaces.</p> <ul style="list-style-type: none"> • 2014: \$12 billion; • 2015: \$8 billion; • 2016: \$5 billion. 	\$25	2014 – 2016

¹ Refers to the Patient Protection and Affordable Care Act, Pub. L. No. 111-148, as amended by the Health Care and Education Reconciliation Act, Pub. L. No. 111-152.

² “The excise tax on high-cost health insurance plans also increases the amounts CBO projects for revenues from individual income and payroll taxes because businesses are expected to respond to the tax by shifting to lower-cost insurance plans – thereby reducing nontaxable labor compensation and increasing taxable compensation. In addition, business taxes are affected by a provision of the Consolidated Appropriations Act, 2016, that allows the excise tax paid by a business to be deductible from its taxable income.”

³ NAIC Draft White Paper on Financing the Exchange, March 17, 2011.