

How would certain actual employers fare under firm size, wage, and healthcare cost scenarios?

Policy Assumptions:

Catastrophic Reinsurance subsidy	10.0%
HSCRC hospital UC savings	2.0%
Cumulative savings after five years from value-based purchasing	3.7%
Administrative loading in the new Maryland Health Insurance Pool	10.0%
Employer assessment	2.0%

Small Nonprofit in Baltimore (2010\$)	Total:	Workers:	Per Worker:	Per Insured:
Total payroll under FICA cap and number of employees:	\$ 216,387	5	\$ 43,277	
Current health insurance cost and employees covered:	\$ 39,640	3	\$ 7,928	\$ 13,213
Current health insurance cost as a percentage of payroll:	18.3%			
Current Administrative loading				21.5%
Employer assessment	\$ 4,328		\$ 866	
Total premium reduction (not including low-income subsidies):	\$ 10,464			\$ 3,488
Reduction in premiums from reinsurance	\$ 3,964			\$ 1,321
Reduction in premiums from HSCRC savings	\$ 793			\$ 264
Reduction in premiums from value-based purchasing	\$ 1,449			\$ 483
Reduction in premiums from lower administrative costs	\$ 4,258			\$ 1,419
New health insurance cost	\$ 29,176			\$ 9,725
New health insurance cost as a percentage of payroll:	13.5%			
Net savings (loss) after payroll tax	\$ 6,136			
Net savings (loss) as a percent of current health costs	15.5%			
Net savings (loss) as a percent of FICA payroll	2.8%			

Small Business in Howard County (2010\$)	Total:	Workers:	Per Worker:	Per Insured:
Total payroll under FICA cap and number of employees:	\$ 1,046,544	20	\$ 52,327	
Current health insurance cost and employees covered:	\$ 93,006	10	\$ 4,650	\$ 9,301
Current health insurance cost as a percentage of payroll:	8.9%			
Current Administrative loading				21.5%
Employer assessment	\$ 20,931		\$ 1,047	
Total premium reduction (not including low-income subsidies):	\$ 24,551			\$ 2,455
Reduction in premiums from reinsurance	\$ 9,301			\$ 930
Reduction in premiums from HSCRC savings	\$ 1,860			\$ 186
Reduction in premiums from value-based purchasing	\$ 3,401			\$ 340
Reduction in premiums from lower administrative costs	\$ 9,989			\$ 999
New health insurance cost	\$ 68,456			\$ 6,846
New health insurance cost as a percentage of payroll:	6.5%			
Net savings (loss) after payroll tax	\$ 3,620			
Net savings (loss) as a percent of current health costs	3.9%			
Net savings (loss) as a percent of FICA payroll	0.3%			

Law Firm in DC Area (2010\$)	Total:	Workers:	Per Worker:	Per Insured:
Total payroll under FICA cap and number of employees:	\$ 1,553,276	22	\$ 70,603	
Current health insurance cost and employees covered:	\$ 164,463	22	\$ 7,476	\$ 7,476
Current health insurance cost as a percentage of payroll:	10.6%			
Current Administrative loading				21.5%
Employer assessment	\$ 31,066		\$ 1,412	
Total premium reduction (not including low-income subsidies):	\$ 43,413			\$ 1,973
Reduction in premiums from reinsurance	\$ 16,446			\$ 748
Reduction in premiums from HSCRC savings	\$ 3,289			\$ 150
Reduction in premiums from value-based purchasing	\$ 6,013			\$ 273
Reduction in premiums from lower administrative costs	\$ 17,664			\$ 803
New health insurance cost	\$ 121,050			\$ 5,502
New health insurance cost as a percentage of payroll:	7.8%			
Net savings (loss) after payroll tax	\$ 12,347			
Net savings (loss) as a percent of current health costs	7.5%			
Net savings (loss) as a percent of FICA payroll	0.8%			

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(continued)

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Medium-Sized Business in Western Maryland (2010\$)	Total:	Workers:	Per Worker:	Per Insured:
Total payroll under FICA cap and number of employees:	\$ 2,318,713	90	\$ 25,763	
Current health insurance cost and employees covered:	\$ 360,240	50	\$ 4,003	\$ 7,205
Current health insurance cost as a percentage of payroll:	15.5%			
Current Administrative loading				21.5%
Employer assessment	\$ 46,374		\$ 515	
Total premium reduction (not including low-income subsidies):	\$ 95,092			\$ 1,902
Reduction in premiums from reinsurance	\$ 36,024			\$ 720
Reduction in premiums from HSCRC savings	\$ 7,205			\$ 144
Reduction in premiums from value-based purchasing	\$ 13,171			\$ 263
Reduction in premiums from lower administrative costs	\$ 38,692			\$ 774
New health insurance cost	\$ 265,148			\$ 5,303
New health insurance cost as a percentage of payroll:	11.4%			
Net savings (loss) after payroll tax	\$ 48,718			
Net savings (loss) as a percent of current health costs	13.5%			
Net savings (loss) as a percent of FICA payroll	2.1%			

Medium-Sized Business in Baltimore (2010\$)	Total:	Workers:	Per Worker:	Per Insured:
Total payroll under FICA cap and number of employees:	\$ 24,616,970	326	\$ 75,512	
Current health insurance cost and employees covered:	\$ 2,643,933	266	\$ 8,110	\$ 9,940
Current health insurance cost as a percentage of payroll:	10.7%			
Current Administrative loading				13.8%
Employer assessment	\$ 492,339		\$ 1,510	
Total premium reduction (not including low-income subsidies):	\$ 507,924			\$ 1,909
Reduction in premiums from reinsurance	\$ 264,393			\$ 994
Reduction in premiums from HSCRC savings	\$ 52,879			\$ 199
Reduction in premiums from value-based purchasing	\$ 96,668			\$ 363
Reduction in premiums from lower administrative costs	\$ 93,984			\$ 353
New health insurance cost	\$ 2,136,009			\$ 8,030
New health insurance cost as a percentage of payroll:	8.7%			
Net savings (loss) after payroll tax	\$ 15,585			
Net savings (loss) as a percent of current health costs	0.6%			
Net savings (loss) as a percent of FICA payroll	0.1%			

Maryland State Employees (2010\$)	Total:	Workers:	Per Worker:	Per Insured:
Total payroll under FICA cap and number of employees:	\$ 2,244,541,685	45,471	\$ 49,362	
Current health insurance cost and employees covered:	\$ 390,881,961	45,471	\$ 8,596	\$ 8,596
Current health insurance cost as a percentage of payroll:	17.4%			
Current Administrative loading				9.1%
Employer assessment	\$ 44,890,834		\$ 987	
Total premium reduction (not including low-income subsidies):	\$ 61,197,342			\$ 1,346
Reduction in premiums from reinsurance	\$ 39,088,196			\$ 860
Reduction in premiums from HSCRC savings	\$ 7,817,639			\$ 172
Reduction in premiums from value-based purchasing	\$ 14,291,506			\$ 314
Reduction in premiums from lower administrative costs	\$ -			\$ -
New health insurance cost	\$ 329,684,619			\$ 7,250
New health insurance cost as a percentage of payroll:	14.7%			
Net savings (loss) after payroll tax	\$ 16,306,508			
Net savings (loss) as a percent of current health costs	4.2%			
Net savings (loss) as a percent of FICA payroll	0.7%			

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Small Business in Harford County (2010\$)	Total:	Workers:	Per Worker:	Per Insured:
Total payroll under FICA cap and number of employees:	\$ 964,370	19	\$ 50,756	
Current health insurance cost and employees covered:	\$ 120,511	19	\$ 6,343	\$ 6,343
Current health insurance cost as a percentage of payroll:	12.5%			
Current Administrative loading				21.5%
Employer assessment	\$ 19,287		\$ 1,015	
Total premium reduction (not including low-income subsidies):	\$ 31,811			\$ 1,674
Reduction in premiums from reinsurance	\$ 12,051			\$ 634
Reduction in premiums from HSCRC savings	\$ 2,410			\$ 127
Reduction in premiums from value-based purchasing	\$ 4,406			\$ 232
Reduction in premiums from lower administrative costs	\$ 12,944			\$ 681
New health insurance cost	\$ 88,700			\$ 4,668
New health insurance cost as a percentage of payroll:	9.2%			
Net savings (loss) after payroll tax	\$ 12,524			
Net savings (loss) as a percent of current health costs	10.4%			
Net savings (loss) as a percent of FICA payroll	1.3%			

Small Business in Baltimore Currently Not Offering Coverage (2010\$)	Total:	Workers:	Per Worker:	Per Insured:
Total payroll under FICA cap and number of employees:	\$ 535,613	11	\$ 48,692	
Current health insurance cost and employees covered:	\$ 112,180	9	\$ 10,198	\$ 12,464
Current health insurance cost as a percentage of payroll:	20.9%			
Current Administrative loading				21.5%
Employer assessment	\$ 10,712		\$ 974	
Total premium reduction (not including low-income subsidies):	\$ 29,612			\$ 3,290
Reduction in premiums from reinsurance	\$ 11,218			\$ 1,246
Reduction in premiums from HSCRC savings	\$ 2,244			\$ 249
Reduction in premiums from value-based purchasing	\$ 4,102			\$ 456
Reduction in premiums from lower administrative costs	\$ 12,049			\$ 1,339
New health insurance cost	\$ 82,568			\$ 9,174
New health insurance cost as a percentage of payroll:	15.4%			
Net savings (loss) after payroll tax	\$ 18,900			
Net savings (loss) as a percent of current health costs	16.8%			
Net savings (loss) as a percent of FICA payroll	3.5%			

Howard County Employees (2010\$)	Total:	Workers:	Per Worker:	Per Insured:
Total payroll under FICA cap and number of employees:	\$ 157,846,943	3,142	\$ 50,238	
Current health insurance cost and employees covered:	\$ 27,855,465	2,082	\$ 8,866	\$ 13,379
Current health insurance cost as a percentage of payroll:	17.6%			
Current Administrative loading				9.1%
Employer assessment	\$ 3,156,939		\$ 1,005	
Total premium reduction (not including low-income subsidies):	\$ 4,361,113			\$ 2,095
Reduction in premiums from reinsurance	\$ 2,785,546			\$ 1,338
Reduction in premiums from HSCRC savings	\$ 557,109			\$ 268
Reduction in premiums from value-based purchasing	\$ 1,018,457			\$ 489
Reduction in premiums from lower administrative costs	\$ -			\$ -
New health insurance cost	\$ 23,494,352			\$ 11,285
New health insurance cost as a percentage of payroll:	14.9%			
Net savings (loss) after payroll tax	\$ 1,204,174			
Net savings (loss) as a percent of current health costs	4.3%			
Net savings (loss) as a percent of FICA payroll	0.8%			