

**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%
Before savings from value-based purchasing take effect	0.0%
Administrative loading in the new Maryland Health Insurance Pool	10.0%
Employer assessment	2.0%

**Small Firm Between 2 and 99 Workers**

	<b>Total:</b>	<b>Workers:</b>	<b>Per Worker:</b>	<b>Per Insured:</b>
<b>Total payroll under FICA cap and number of employees:</b>	\$ 2,500,000	50	\$ 50,000	
<b>Current health insurance cost and employees covered:</b>	\$ 215,460	50	\$ 4,309	\$ 4,309
<b>Current health insurance cost as a percentage of payroll:</b>	8.6%			
Current Administrative loading				21.5%
Employer assessment	\$ 50,000		\$ 1,000	
Total premium reduction (not including low-income subsidies):	\$ 50,000			\$ 1,000
Reduction in premiums from reinsurance	\$ 21,546			\$ 431
Reduction in premiums from HSCRC savings	\$ 4,309			\$ 86
Reduction in premiums from value-based purchasing	\$ -			\$ -
Reduction in premiums from lower administrative costs	\$ 24,145			\$ 483
New health insurance cost	\$ 165,460			\$ 3,309
New health insurance cost as a percentage of payroll:	6.6%			
<b>Net savings (loss) after payroll tax</b>	\$ -			
<b>Net savings (loss) as a percent of current health costs</b>	0.0%			
<b>Net savings (loss) as a percent of FICA payroll</b>	0.0%			

**Medium Firm Between 100 and 499 Workers**

	<b>Total:</b>	<b>Workers:</b>	<b>Per Worker:</b>	<b>Per Insured:</b>
<b>Total payroll under FICA cap and number of employees:</b>	\$ 12,500,000	250	\$ 50,000	
<b>Current health insurance cost and employees covered:</b>	\$ 1,591,463	250	\$ 6,366	\$ 6,366
<b>Current health insurance cost as a percentage of payroll:</b>	12.7%			
Current Administrative loading				13.8%
Employer assessment	\$ 250,000		\$ 1,000	
Total premium reduction (not including low-income subsidies):	\$ 250,000			\$ 1,000
Reduction in premiums from reinsurance	\$ 159,146			\$ 637
Reduction in premiums from HSCRC savings	\$ 31,829			\$ 127
Reduction in premiums from value-based purchasing	\$ -			\$ -
Reduction in premiums from lower administrative costs	\$ 59,024			\$ 236
New health insurance cost	\$ 1,341,463			\$ 5,366
New health insurance cost as a percentage of payroll:	10.7%			
<b>Net savings (loss) after payroll tax</b>	\$ -			
<b>Net savings (loss) as a percent of current health costs</b>	0.0%			
<b>Net savings (loss) as a percent of FICA payroll</b>	0.0%			

**Large Firm Between 500 and 999 Workers**

	<b>Total:</b>	<b>Workers:</b>	<b>Per Worker:</b>	<b>Per Insured:</b>
<b>Total payroll under FICA cap and number of employees:</b>	\$ 37,500,000	750	\$ 50,000	
<b>Current health insurance cost and employees covered:</b>	\$ 5,567,518	750	\$ 7,423	\$ 7,423
<b>Current health insurance cost as a percentage of payroll:</b>	14.8%			
Current Administrative loading				11.5%
Employer assessment	\$ 750,000		\$ 1,000	
Total premium reduction (not including low-income subsidies):	\$ 750,000			\$ 1,000
Reduction in premiums from reinsurance	\$ 556,752			\$ 742
Reduction in premiums from HSCRC savings	\$ 111,350			\$ 148
Reduction in premiums from value-based purchasing	\$ -			\$ -
Reduction in premiums from lower administrative costs	\$ 81,898			\$ 109
New health insurance cost	\$ 4,817,518			\$ 6,423
New health insurance cost as a percentage of payroll:	12.8%			
<b>Net savings (loss) after payroll tax</b>	\$ 0			
<b>Net savings (loss) as a percent of current health costs</b>	0.0%			
<b>Net savings (loss) as a percent of FICA payroll</b>	0.0%			

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

(continued)

**Policy Assumptions:**

Catastrophic Reinsurance subsidy	10.0%
HSCRC hospital UC savings	2.0%
Cumulative savings after five years from value-based purchasing	0.0%
Administrative loading in the new Maryland Health Insurance Pool	10.0%
Employer assessment	2.0%

**Very Large Firm Over 1000 Workers**

	<b>Total:</b>	<b>Workers:</b>	<b>Per Worker:</b>	<b>Per Insured:</b>
<b>Total payroll under FICA cap and number of employees:</b>	\$ 100,000,000	2,000	\$ 50,000	
<b>Current health insurance cost and employees covered:</b>	\$ 16,666,667	2,000	\$ 8,333	\$ 8,333
<b>Current health insurance cost as a percentage of payroll:</b>	16.7%			
Current Administrative loading				9.1%
Employer assessment	\$ 2,000,000		\$ 1,000	
Total premium reduction (not including low-income subsidies):	\$ 2,000,000			\$ 1,000
Reduction in premiums from reinsurance	\$ 1,666,667			\$ 833
Reduction in premiums from HSCRC savings	\$ 333,333			\$ 167
Reduction in premiums from value-based purchasing	\$ -			\$ -
Reduction in premiums from lower administrative costs	\$ -			\$ -
New health insurance cost	\$ 14,666,667			\$ 7,333
New health insurance cost as a percentage of payroll:	14.7%			
<b>Net savings (loss) after payroll tax</b>	\$ -			
<b>Net savings (loss) as a percent of current health costs</b>	0.0%			
<b>Net savings (loss) as a percent of FICA payroll</b>	0.0%			