

**How would certain hypothetical 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%

<b>Small (2-99 workers), Low-Wage Firm Offering Insurance (2010\$)</b>	<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>	\$ 1,500,000	50	\$ 30,000	
<b>Current health insurance cost and employees covered:</b>	\$ 339,956	36	\$ 6,799	\$ 9,445
Current health insurance cost as a percentage of payroll:	22.7%			
Current Administrative loading				21.5%
Employer assessment	\$ 30,000		\$ 600	
Total premium reduction (not including low-income subsidies):	\$ 89,738			\$ 2,493
Reduction in premiums from reinsurance	\$ 33,996			\$ 945
Reduction in premiums from HSCRC savings	\$ 6,799			\$ 189
Reduction in premiums from value-based purchasing	\$ 12,430			\$ 345
Reduction in premiums from lower administrative costs	\$ 36,513			\$ 1,014
New health insurance cost	\$ 250,218			\$ 6,952
New health insurance cost as a percentage of payroll:	16.7%			
<b>Net savings (loss) after payroll tax</b>	<b>\$ 59,738</b>			
<b>Net savings (loss) as a percent of current health costs</b>	<b>17.6%</b>			
<b>Net savings (loss) as a percent of FICA payroll</b>	<b>4.0%</b>			

<b>Small (2-99 workers), Average-Wage Firm Offering Insurance (2010\$)</b>	<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>	\$ 406,958	38	\$ 8,139	\$ 10,733
Current health insurance cost as a percentage of payroll:	16.3%			
Current Administrative loading				21.5%
Employer assessment	\$ 50,000		\$ 1,000	
Total premium reduction (not including low-income subsidies):	\$ 107,424			\$ 2,833
Reduction in premiums from reinsurance	\$ 40,696			\$ 1,073
Reduction in premiums from HSCRC savings	\$ 8,139			\$ 215
Reduction in premiums from value-based purchasing	\$ 14,879			\$ 392
Reduction in premiums from lower administrative costs	\$ 43,710			\$ 1,153
New health insurance cost	\$ 299,534			\$ 7,900
New health insurance cost as a percentage of payroll:	12.0%			
<b>Net savings (loss) after payroll tax</b>	<b>\$ 57,424</b>			
<b>Net savings (loss) as a percent of current health costs</b>	<b>14.1%</b>			
<b>Net savings (loss) as a percent of FICA payroll</b>	<b>2.3%</b>			

<b>Small (2-99 workers), High-Wage Firm Offering Insurance (2010\$)</b>	<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>	\$ 3,500,000	50	\$ 70,000	
<b>Current health insurance cost and employees covered:</b>	\$ 462,587	38	\$ 9,252	\$ 12,021
Current health insurance cost as a percentage of payroll:	13.2%			
Current Administrative loading				21.5%
Employer assessment	\$ 70,000		\$ 1,400	
Total premium reduction (not including low-income subsidies):	\$ 122,108			\$ 3,173
Reduction in premiums from reinsurance	\$ 46,259			\$ 1,202
Reduction in premiums from HSCRC savings	\$ 9,252			\$ 240
Reduction in premiums from value-based purchasing	\$ 16,913			\$ 440
Reduction in premiums from lower administrative costs	\$ 49,685			\$ 1,291
New health insurance cost	\$ 340,478			\$ 8,848
New health insurance cost as a percentage of payroll:	9.7%			
<b>Net savings (loss) after payroll tax</b>	<b>\$ 52,108</b>			
<b>Net savings (loss) as a percent of current health costs</b>	<b>11.3%</b>			
<b>Net savings (loss) as a percent of FICA payroll</b>	<b>1.5%</b>			

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(continued)

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Employer assessment	2.0%

<b>Medium (100-499 Workers), Low-Wage Firm Offering Insurance (2010\$)</b>	<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>	\$ 7,500,000	250	\$ 30,000	
<b>Current health insurance cost and employees covered:</b>	\$ 1,548,591	180	\$ 6,194	\$ 8,605
Current health insurance cost as a percentage of payroll:	20.6%			
Current Administrative loading				13.8%
Employer assessment	\$ 150,000		\$ 600	
<b>Total premium reduction (not including low-income subsidies):</b>	\$ 297,499		\$	\$ 1,653
Reduction in premiums from reinsurance	\$ 154,859			\$ 861
Reduction in premiums from HSCRC savings	\$ 30,972			\$ 172
Reduction in premiums from value-based purchasing	\$ 56,620			\$ 315
Reduction in premiums from lower administrative costs	\$ 55,048			\$ 306
<b>New health insurance cost</b>	\$ 1,251,092		\$	\$ 6,952
New health insurance cost as a percentage of payroll:	16.7%			
<b>Net savings (loss) after payroll tax</b>	\$ 147,499			
<b>Net savings (loss) as a percent of current health costs</b>	9.5%			
<b>Net savings (loss) as a percent of FICA payroll</b>	2.0%			

<b>Medium (100-499 Workers), Average-Wage Firm Offering Insurance (2010\$)</b>	<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>	\$ 1,853,802	190	\$ 7,415	\$ 9,778
Current health insurance cost as a percentage of payroll:	14.8%			
Current Administrative loading				13.8%
Employer assessment	\$ 250,000		\$ 1,000	
<b>Total premium reduction (not including low-income subsidies):</b>	\$ 356,133		\$	\$ 1,879
Reduction in premiums from reinsurance	\$ 185,380			\$ 978
Reduction in premiums from HSCRC savings	\$ 37,076			\$ 196
Reduction in premiums from value-based purchasing	\$ 67,779			\$ 358
Reduction in premiums from lower administrative costs	\$ 65,897			\$ 348
<b>New health insurance cost</b>	\$ 1,497,669		\$	\$ 7,900
New health insurance cost as a percentage of payroll:	12.0%			
<b>Net savings (loss) after payroll tax</b>	\$ 106,133			
<b>Net savings (loss) as a percent of current health costs</b>	5.7%			
<b>Net savings (loss) as a percent of FICA payroll</b>	0.8%			

<b>Medium (100-499 Workers), High-Wage Firm Offering Insurance (2010\$)</b>	<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>	\$ 17,500,000	250	\$ 70,000	
<b>Current health insurance cost and employees covered:</b>	\$ 2,107,206	192	\$ 8,429	\$ 10,952
Current health insurance cost as a percentage of payroll:	12.0%			
Current Administrative loading				13.8%
Employer assessment	\$ 350,000		\$ 1,400	
<b>Total premium reduction (not including low-income subsidies):</b>	\$ 404,814		\$	\$ 2,104
Reduction in premiums from reinsurance	\$ 210,721			\$ 1,095
Reduction in premiums from HSCRC savings	\$ 42,144			\$ 219
Reduction in premiums from value-based purchasing	\$ 77,044			\$ 400
Reduction in premiums from lower administrative costs	\$ 74,905			\$ 389
<b>New health insurance cost</b>	\$ 1,702,392		\$	\$ 8,848
New health insurance cost as a percentage of payroll:	9.7%			
<b>Net savings (loss) after payroll tax</b>	\$ 54,814			
<b>Net savings (loss) as a percent of current health costs</b>	2.6%			
<b>Net savings (loss) as a percent of FICA payroll</b>	0.3%			

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(continued)

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Employer assessment	2.0%

<b>Large (500-999 Workers), Low-Wage Firm Offering Insurance (2010\$)</b>	<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>	\$ 22,500,000	750	\$ 30,000	
<b>Current health insurance cost and employees covered:</b>	\$ 4,525,624	540	\$ 6,034	\$ 8,382
Current health insurance cost as a percentage of payroll:	20.1%			
Current Administrative loading				11.5%
Employer assessment	\$ 450,000		\$ 600	
<b>Total premium reduction (not including low-income subsidies):</b>	\$ 772,347		\$	\$ 1,431
Reduction in premiums from reinsurance	\$ 452,562		\$	\$ 838
Reduction in premiums from HSCRC savings	\$ 90,512		\$	\$ 168
Reduction in premiums from value-based purchasing	\$ 165,467		\$	\$ 306
Reduction in premiums from lower administrative costs	\$ 63,806		\$	\$ 118
<b>New health insurance cost</b>	\$ 3,753,276		\$	\$ 6,952
New health insurance cost as a percentage of payroll:	16.7%			
<b>Net savings (loss) after payroll tax</b>	\$ 322,347			
<b>Net savings (loss) as a percent of current health costs</b>	7.1%			
<b>Net savings (loss) as a percent of FICA payroll</b>	1.4%			

<b>Large (500-999 Workers), Average-Wage Firm Offering Insurance (2010\$)</b>	<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>	\$ 5,417,577	569	\$ 7,223	\$ 9,526
Current health insurance cost as a percentage of payroll:	14.4%			
Current Administrative loading				11.5%
Employer assessment	\$ 750,000		\$ 1,000	
<b>Total premium reduction (not including low-income subsidies):</b>	\$ 924,569		\$	\$ 1,626
Reduction in premiums from reinsurance	\$ 541,758		\$	\$ 953
Reduction in premiums from HSCRC savings	\$ 108,352		\$	\$ 191
Reduction in premiums from value-based purchasing	\$ 198,079		\$	\$ 348
Reduction in premiums from lower administrative costs	\$ 76,381		\$	\$ 134
<b>New health insurance cost</b>	\$ 4,493,008		\$	\$ 7,900
New health insurance cost as a percentage of payroll:	12.0%			
<b>Net savings (loss) after payroll tax</b>	\$ 174,569			
<b>Net savings (loss) as a percent of current health costs</b>	3.2%			
<b>Net savings (loss) as a percent of FICA payroll</b>	0.5%			

<b>Large (500-999 Workers), High-Wage Firm Offering Insurance (2010\$)</b>	<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>	\$ 52,500,000	750	\$ 70,000	
<b>Current health insurance cost and employees covered:</b>	\$ 6,158,129	577	\$ 8,211	\$ 10,669
Current health insurance cost as a percentage of payroll:	11.7%			
Current Administrative loading				11.5%
Employer assessment	\$ 1,050,000		\$ 1,400	
<b>Total premium reduction (not including low-income subsidies):</b>	\$ 1,050,952		\$	\$ 1,821
Reduction in premiums from reinsurance	\$ 615,813		\$	\$ 1,067
Reduction in premiums from HSCRC savings	\$ 123,163		\$	\$ 213
Reduction in premiums from value-based purchasing	\$ 225,155		\$	\$ 390
Reduction in premiums from lower administrative costs	\$ 86,822		\$	\$ 150
<b>New health insurance cost</b>	\$ 5,107,177		\$	\$ 8,848
New health insurance cost as a percentage of payroll:	9.7%			
<b>Net savings (loss) after payroll tax</b>	\$ 952			
<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%			

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<b>Very Large (Over 1000 Workers), Low-Wage Firm Offering Insurance (2010\$)</b>	<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>	\$ 60,000,000	2000	\$ 30,000	
<b>Current health insurance cost and employees covered:</b>	\$ 11,747,932	1440	\$ 5,874	\$ 8,160
Current health insurance cost as a percentage of payroll:	19.6%			
Current Administrative loading				9.1%
Employer assessment	\$ 1,200,000		\$ 600	
Total premium reduction (not including low-income subsidies):	\$ 1,839,282			\$ 1,278
Reduction in premiums from reinsurance	\$ 1,174,793			\$ 816
Reduction in premiums from HSCRC savings	\$ 234,959			\$ 163
Reduction in premiums from value-based purchasing	\$ 429,530			\$ 298
Reduction in premiums from lower administrative costs	\$ -			\$ -
New health insurance cost	\$ 9,908,650			\$ 6,882
New health insurance cost as a percentage of payroll:	16.5%			
<b>Net savings (loss) after payroll tax</b>	<b>\$ 639,282</b>			
<b>Net savings (loss) as a percent of current health costs</b>	<b>5.4%</b>			
<b>Net savings (loss) as a percent of FICA payroll</b>	<b>1.1%</b>			

<b>Very Large (Over 1000 Workers), Average-Wage Firm Offering Insurance (2010\$)</b>	<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	2000	\$ 50,000	
<b>Current health insurance cost and employees covered:</b>	\$ 14,063,327	1517	\$ 7,032	\$ 9,273
Current health insurance cost as a percentage of payroll:	14.1%			
Current Administrative loading				9.1%
Employer assessment	\$ 2,000,000		\$ 1,000	
Total premium reduction (not including low-income subsidies):	\$ 2,201,785			\$ 1,452
Reduction in premiums from reinsurance	\$ 1,406,333			\$ 927
Reduction in premiums from HSCRC savings	\$ 281,267			\$ 185
Reduction in premiums from value-based purchasing	\$ 514,186			\$ 339
Reduction in premiums from lower administrative costs	\$ -			\$ -
New health insurance cost	\$ 11,861,541			\$ 7,821
New health insurance cost as a percentage of payroll:	11.9%			
<b>Net savings (loss) after payroll tax</b>	<b>\$ 201,785</b>			
<b>Net savings (loss) as a percent of current health costs</b>	<b>1.4%</b>			
<b>Net savings (loss) as a percent of FICA payroll</b>	<b>0.2%</b>			

<b>Very Large (Over 1000 Workers), High-Wage Firm Offering Insurance (2010\$)</b>	<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>	\$ 140,000,000	2000	\$ 70,000	
<b>Current health insurance cost and employees covered:</b>	\$ 15,985,705	1539	\$ 7,993	\$ 10,385
Current health insurance cost as a percentage of payroll:	11.4%			
Current Administrative loading				9.1%
Employer assessment	\$ 2,800,000		\$ 1,400	
Total premium reduction (not including low-income subsidies):	\$ 2,502,757			\$ 1,626
Reduction in premiums from reinsurance	\$ 1,598,570			\$ 1,039
Reduction in premiums from HSCRC savings	\$ 319,714			\$ 208
Reduction in premiums from value-based purchasing	\$ 584,473			\$ 380
Reduction in premiums from lower administrative costs	\$ -			\$ -
New health insurance cost	\$ 13,482,947			\$ 8,759
New health insurance cost as a percentage of payroll:	9.6%			
<b>Net savings (loss) after payroll tax</b>	<b>\$ (297,243)</b>			
<b>Net savings (loss) as a percent of current health costs</b>	<b>-1.9%</b>			
<b>Net savings (loss) as a percent of FICA payroll</b>	<b>-0.2%</b>			