

## MODIFICATIONS TO THE SENATE-PASSED HIGH-PREMIUM EXCISE TAX

- Raise the threshold. Raise the thresholds to \$8,900 and \$24,000 (from \$8,500 and \$23,000).
- Include an adjustment for unexpected rises in health costs. Adjust the thresholds up to the degree that actual health premiums rise by more than is currently projected by JCT before 2013. If actual health premiums fall relative to current JCT projections the thresholds would stay the same. This would be measured by comparing the cost of the FEHBP standard option for 2013 with the cost in 2010 – with the Secretary of HHS having the authority to adjust for any changes in the plan design.
- Maintain current thresholds for high risk, qualified retirees, and the same percentage increase for high-cost states. Maintain the thresholds at \$9,850 and \$26,000 for the same categories specified in the legislation: qualified retirees and high-risk professions. Maintain the adjustment for high-cost states at 120 percent for 2013, 110 percent for 2014 and 105 percent for 2015.
- Add adjustments for gender and age. Provide an adjustment for employers whose gender and age composition raises their costs above the national average. This adjustment would be based on the estimated difference between: (i) a reference FEHBP Blue Cross/Blue Shield Standard Option plan and (ii) the cost of that same plan for a given employer, as estimated by the gender and age of its workforce.
- Exclude standalone dental and vision plans starting in 2015.
- Exempt collective bargaining contracts, state & local workers, and VEBAs through January 1, 2018.
- Consider all Taft-Hartley plans at the threshold for family plans.
- Allow collective bargaining units into the exchange starting in 2017. Will attempt to extend this to VEBAs.
- Allow Taft-Hartley plans into the exchange. This would follow the provisions in the House bill, provided no major impact on the CBO score, which we believe to be the case.