

# Effect of Senate proposal on average premiums for health insurance in 2016

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	Percentage, by Market		
	Nongroup <sup>a</sup>	Small Group <sup>b</sup>	Large Group <sup>c</sup>
Distribution of Nonelderly Population Insured in These Markets Under Proposal	17%	13%	70%
<i>Differences in Average Premiums Relative to Current Law Due to:</i>			
Difference in Amount of Insurance Coverage	+27% to +30%	0% to +3%	Negligible
Difference in Price of a Given Amount of Insurance Coverage for a Given Group of Enrollees	-7% to -10%	-1% to -4%	Negligible
Difference in Types of People with Insurance Coverage	-7% to -10%	-1% to +2%	0% to -3%
Total Difference Before Accounting for Subsidies	+10% to +13%	+1% to -2%	0% to -3%
<i>Effect of Subsidies in Nongroup and Small Group Markets</i>			
Share of People Receiving Subsidies <sup>d</sup>	57%	12%	n.a.
For People Receiving Subsidies, Difference in Average Premiums Paid After Accounting for Subsidies	-56% to -59%	-8% to -11%	n.a.
<i>Effect of Excise Tax on High-Premium Plans Sponsored by Employers</i>			
Share of People Who Would Have High-Premium Plans Under Current Law	n.a.	19%	
For People Who Would Have High-Premium Plans Under Current Law, Difference in Average Premiums Paid	n.a.	-9% to -12%	
<b>Memorandum</b>			
Number of People Covered Under Proposal (Millions)	32	25	134

Source: Congressional Budget Office and the staff of the Joint Committee on Taxation.

Notes: n.a. = not applicable.

a. The nongroup market includes people purchasing coverage individually either in the proposed insurance exchanges or in the individual insurance market outside the insurance exchanges.

b. The small group market includes people covered in plans sponsored by firms with 50 or fewer employees.

c. The large group market includes people covered in plans sponsored by firms with more than 50 employees.

d. Premium subsidies in the nongroup market are those available through the exchanges. Premium subsidies in the small group market are those stemming from the small business tax credit.

e. The effect of the tax includes both the increase in premiums for policies with premiums remaining above the excise tax threshold and the reduction in premiums for those choosing plans with lower premiums.