



2018 Estimated Taxes and Fees

Large group

Tax or Fee	2017 amount	2018 amount	Description
Health insurance premium tax	The Consolidated Appropriations Act of 2016 suspended this tax for one year. For 2017, this tax doesn't apply.	2.1% of premium (HAP) 2.9% of premium (Alliance Health and Life Insurance Company®)	A federal excise tax assessed on all fully insured health plans, effective Jan. 1, 2014, to help fund the provisions of the Affordable Care Act.
Patient-Centered Outcomes Research Institute fee	\$2.26 per member, per year	\$2.17 per member, per year	A federal fee that funds the PCORI, which will produce and promote research on clinical effectiveness to help patients and their health care providers make more informed health care decisions.
Health Insurance Claims Assessment Act tax	0.9% of premium	0.9% of premium	A state of Michigan tax applied to certain health insurance claims paid for services provided on or after Jan. 1, 2012. Funds generated by the assessment support Michigan's Medicaid program.

Please note: Pending regulatory decisions may affect these estimates. We'll keep you informed if and when changes occur.

Frequently asked questions

Will the 2018 taxes and fees be embedded in the rate or charged as separate line items on the invoice?

For large group grandfathered and non-grandfathered plans, only the PCORI fee will be embedded in rates. The HICAA tax will be charged as a separate line item.

Because the PCORI fee is embedded, does HAP file Form 720 (Quarterly Federal Excise Tax Return) or does the employer need to file it? If HAP files the form, can we get a copy of the filing for our group?

HAP will file Form 720 for all fully insured members enrolled with HAP and Alliance. This filing won't be broken down by employer group, so we're unable to provide a copy of the filing at the group level.

Are group Medicare Advantage plans subject to all federal and state taxes and fees?

No. Medicare Advantage plans aren't subject to any taxes and fees.

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