

Heart to Heart

Excise Tax Analysis

Employer Cost Trend 8%
 Assumed Consumer Price Index (CPI) 3%

	Assumed Enrollment	2015 Monthly	2015 Annual	2016	2017	ER Rates 2018	Excise Limit 2018	ER Rates 2019	Estimated Excise Limit 2019	ER Rates 2020	Estimated Excise Limit 2020	
\$500 Ded Plan	Employee Only	143	\$553.02	\$6,636	\$7,167	\$7,740	\$8,359	\$10,200	\$9,028	\$10,506	\$9,750	\$10,821
	Employee + Spouse	40	\$1,106.04	\$13,272	\$14,334	\$15,481	\$16,719	\$27,500	\$18,057	\$28,325	\$19,502	\$29,175
	Employee + Child(ren)	11	\$1,106.04	\$13,272	\$14,334	\$15,481	\$16,719	\$27,500	\$18,057	\$28,325	\$19,502	\$29,175
	Employee + Family	158	\$1,549.12	\$18,589	\$20,077	\$21,683	\$23,418	\$27,500	\$25,291	\$28,325	\$27,314	\$29,175
	Annual Expected Cost	352		\$4,563,000	\$4,928,000	\$5,322,000	\$5,748,000	\$7,206,000	\$6,208,000	\$7,422,000	\$6,704,000	\$7,645,000
Estimated Expected Tax							\$0		\$0		\$0	
\$200 Ded Plan	Employee Only	75	\$578.02	\$6,936	\$7,491	\$8,090	\$8,737	\$10,200	\$9,436	\$10,506	\$10,191	\$10,821
	Employee + Spouse	16	\$1,146.04	\$13,752	\$14,853	\$16,041	\$17,324	\$27,500	\$18,710	\$28,325	\$20,207	\$29,175
	Employee + Child(ren)	7	\$1,146.04	\$13,752	\$14,853	\$16,041	\$17,324	\$27,500	\$18,710	\$28,325	\$20,207	\$29,175
	Employee + Family	70	\$1,609.12	\$19,309	\$20,854	\$22,522	\$24,324	\$27,500	\$26,270	\$28,325	\$28,372	\$29,175
	Annual Expected Cost	168		\$2,188,000	\$2,363,000	\$2,552,000	\$2,756,000	\$3,323,000	\$2,977,000	\$3,422,000	\$3,215,000	\$3,525,000
Estimated Expected Tax							\$0		\$0		\$0	
Grand Total Annual Expected Cost			\$6,751,000	\$7,291,000	\$7,874,000	\$8,504,000	\$10,529,000	\$9,185,000	\$10,844,000	\$9,919,000	\$11,170,000	
Grand Total Annual Expected Tax							\$0		\$0		\$0	

Assumptions:

- Medical/rx annual trend of 12%
- CPI trend of 3%
- Enrollment remains stable (no dramatic increases or decreases)
- Plan Design remains the same
- No carrier changes that would affect network utilization and/or discounts

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Excise Tax Analysis

Employer Cost Trend 12%
 Assumed Consumer Price Index (CPI) 3%

	Assumed Enrollment	2015 Monthly	2015 Annual	2016	2017	ER Rates 2018	Excise Limit 2018	ER Rates 2019	Estimated Excise			
									Limit 2019	ER Rates 2020	Limit 2020	
\$500 Ded Plan	Employee Only	143	\$553.02	\$6,636	\$7,433	\$8,325	\$9,324	\$10,200	\$10,443	\$10,506	\$11,696	\$10,821
	Employee + Spouse	40	\$1,106.04	\$13,272	\$14,865	\$16,649	\$18,647	\$27,500	\$20,885	\$28,325	\$23,391	\$29,175
	Employee + Child(ren)	11	\$1,106.04	\$13,272	\$14,865	\$16,649	\$18,647	\$27,500	\$20,885	\$28,325	\$23,391	\$29,175
	Employee + Family	158	\$1,549.12	\$18,589	\$20,820	\$23,318	\$26,116	\$27,500	\$29,250	\$28,325	\$32,760	\$29,175
	Annual Expected Cost	352		\$4,563,000	\$5,111,000	\$5,724,000	\$6,411,000	\$7,206,000	\$7,180,000	\$7,422,000	\$8,042,000	\$7,645,000
Estimated Expected Tax							\$0		\$58,460		\$276,620	
\$200 Ded Plan	Employee Only	75	\$578.02	\$6,936	\$7,769	\$8,701	\$9,745	\$10,200	\$10,914	\$10,506	\$12,224	\$10,821
	Employee + Spouse	16	\$1,146.04	\$13,752	\$15,403	\$17,251	\$19,321	\$27,500	\$21,640	\$28,325	\$24,237	\$29,175
	Employee + Child(ren)	7	\$1,146.04	\$13,752	\$15,403	\$17,251	\$19,321	\$27,500	\$21,640	\$28,325	\$24,237	\$29,175
	Employee + Family	70	\$1,609.12	\$19,309	\$21,627	\$24,222	\$27,129	\$27,500	\$30,384	\$28,325	\$34,030	\$29,175
	Annual Expected Cost	168		\$2,188,000	\$2,451,000	\$2,745,000	\$3,074,000	\$3,323,000	\$3,443,000	\$3,422,000	\$3,856,000	\$3,525,000
Estimated Expected Tax							\$0		\$69,890		\$178,030	
Grand Total Annual Expected Cost			\$6,751,000	\$7,562,000	\$8,469,000	\$9,485,000	\$10,529,000	\$10,623,000	\$10,844,000	\$11,898,000	\$11,170,000	
Grand Total Annual Expected Tax							\$0		\$128,350		\$454,650	

Assumptions:

- Medical/rx annual trend of 12%
- CPI trend of 3%
- Enrollment remains stable (no dramatic increases or decreases)
- Plan Design remains the same
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