Table 1: Federal Income Taxes, 2000

Low Income	High Income	MTR	Tax due
$0	$26,250	15%	0.15 x Income
$26,250	$63,550	28%	$3,935.5 + 0.28 x (Income - $26,250)
$63,550	$132,600	31%	$14,381.5 + 0.31 x (Income - $63,550)
$132,600	$288,350	36%	$33,787 + 0.36 x (Income - $132,600)
$288,350	-	39.6%	$91,857 + 0.396 x (Income - $288,350)

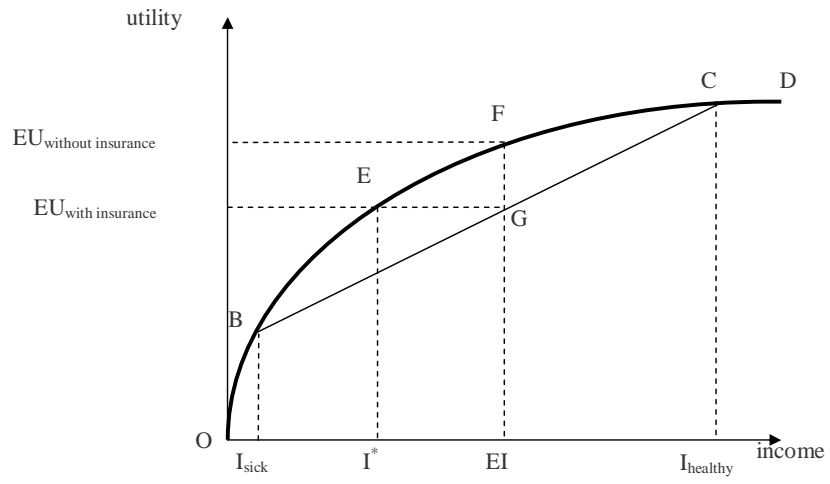Figure 1: Utility Gain from Insurance

Figure 1: Utility Gain from Insurance

Figure 2: Loading Fees

TABLE 10.3 TYPICAL LOADING FEES BY GROUP SIZE

Number of Employees	Loading Fee[a] (As Percent of Benefits)
Individual policies	60–80
Small groups (1–10)	30–40
Moderate groups (11–100)	20–30
Medium groups (100–200)	15–20
Large groups (201–1000)	8–15
Very large groups (more than 1000)	5–8
Overall for all plans (weighted average)	15–25

[a]Varies annually.

9

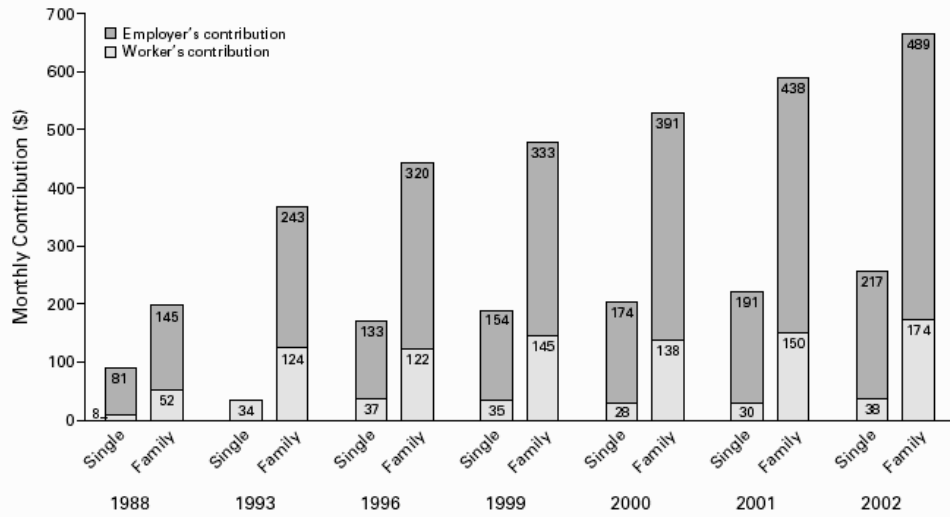Figure 3: Employer Share of Health Insurance Premiums

Figure 2. Average Monthly Contributions of Workers and Employers for Single and Family Coverage, 1988 through 2002.
Data are from the Kaiser/HRET Survey of Employer-Sponsored Health Benefits and the KPMG Survey of Employer-Sponsored Health Benefits. Data are not available for the employer's contribution to single coverage in 1993.
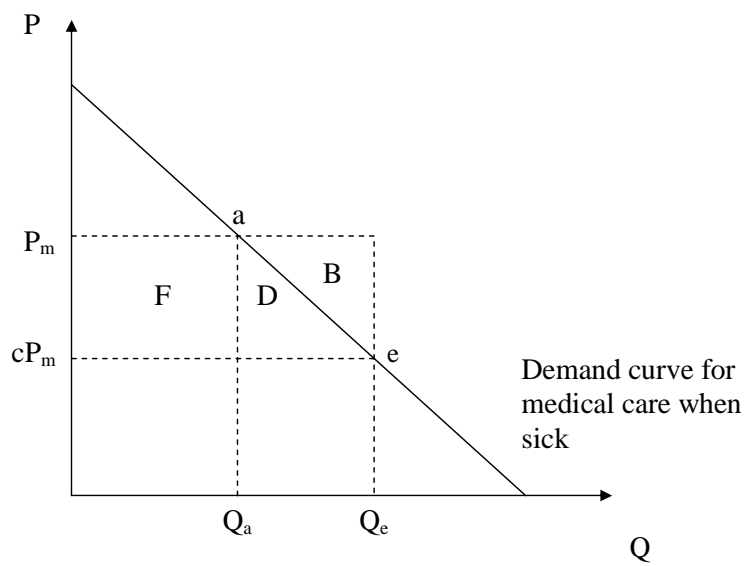
Figure 4: Welfare Loss from Moral Hazard
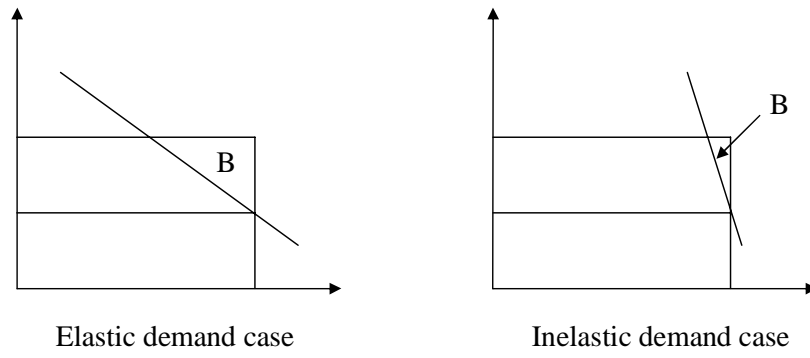
Figure 5: Demand Elasticity and Moral Hazard

Elastic demand case   Inelastic demand case

Figure 6: Insurance Model Prediction Tests

Table 10.1   PATTERNS OF INSURANCE COVERAGE

Type of health care	Variance of risk	Demand elasticity (RAND HIS)	Percent of people under 65 insured
Hospital care	highest	−0.15	80%
Surgical and in- hospital medical	high	−0.15	78%
Outpatient doctor	medium	−0.3	40%–50%
Dental	low	−0.4	40%