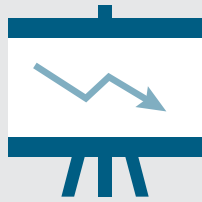




# The AHCA:

## Reducing Premiums for Americans Buying Insurance on Their Own Off-Exchange



### Up to 50% lower premiums for the individual market.

The AHCA could lower premiums for Americans by up to 50% for those buying insurance on their own and outside the exchange.



### Up to 45% lower for Americans over 60.

Americans ages 60 to 64 could see premiums drop by as much as 45%, after the new tax credit begins in 2020.



### Tax credits offer potential for \$0 net cost.

After the tax credits begin in 2020, most Americans under 50 in MacArthur waiver states could purchase coverage with similar benefits to pre-ACA plans at little or no net cost to them (for those eligible for the full tax credit). The AHCA tax credits are available to more individuals than ACA exchange subsidies.



### Costly ACA regulations eliminated.

The House version of the AHCA reverses most costly regulations on private insurance imposed by the ACA that have driven up costs for Americans getting insurance outside their employer and on their own.

**NOTE:** Projected premiums shown anticipates decisions by the Secretary of an attachment point of \$10,000 and 90% of premiums being ceded by insurers, and a separate risk pool for those off-exchange being created in a final bill.

#### SOURCES

Kathleen Ely et al., "The federal invisible high risk pool," Milliman (April 2017), <https://thefga.org/wp-content/uploads/2017/04/The-Federal-Invisible-High-Risk-Pool.pdf>.

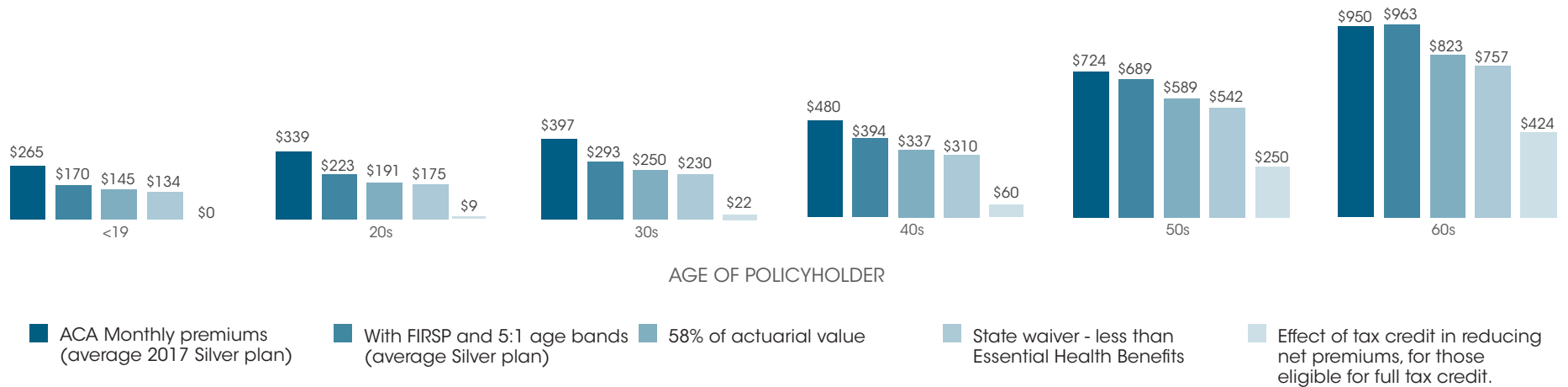
Jon R. Gabel et al., "More than half of individual health plans offer coverage that falls short of what can be sold through exchanges as of 2014," Health Affairs (May 2012), <http://content.healthaffairs.org/content/31/6/1339.full>.

Daniel Durham, "Health insurance premiums under the Affordable Care Act," House Energy and Commerce Subcommittee on Oversight and Investigations, (May 2013), <http://docs.house.gov/meetings/IF/IF02/20130520/100868/HHRG-113-IF02-Wstate-DurhamD-20130520.pdf>.

Analysis of MacArthur amendment by the FGA staff.

# 4 WAYS PATIENTS CAN SUBSTANTIALLY LOWER THEIR PREMIUMS

## Premium impact of AHCA with 5:1 age bands, FIRSP, lower actuarial value, and MacArthur waivers



Reform	Where is it in the AHCA?	Source & details
5:1 age bands	Section 135	Milliman analysis, April 7, 2017
Invisible risk-sharing	Palmer-Schweikert amendment	Milliman analysis, April 7, 2017
Lower actuarial value allowed	Section 134	Allows actuarial value as low as 58%. Pre-ACA, more than half of individual insurance plans had an actuarial value less than bronze (60%). (Health Affairs 2012)
Essential health benefits (EHB) waiver	Proposed MacArthur amendment	Allows states to waive EHB requirements. Milliman estimates this would impact premiums 3% to 17%, an 8% impact was assumed for this analysis.
Tax credits in 2020	Section 215	When \$2,000 to \$4,000 annual premium tax credits begin in 2020, Americans' net costs will reduce even more.