



## Less Coverage & Higher Costs— House Leadership Repeal & Replace

On March 6, 2017 House Leadership unveiled a bill to repeal & replace key parts of the Affordable Care Act (ACA). According to the Congressional Budget Office, **14 million Americans will lose health insurance coverage next year & 24 million will lose coverage over the next ten years.**

### Flat tax credits mean higher premiums

Flat tax credits will not cover as much of the cost of premiums as current income-based tax credits. This means higher premium costs for consumers, especially for those who are poorer and older.

Repeal	Replace
<ul style="list-style-type: none"> <li>Repeals ACA premium tax credit subsidies that vary by income and cost of insurance in different geographic locations</li> </ul>	<ul style="list-style-type: none"> <li>Replaces with a flat tax credit that varies only by age (\$2,000 for those under 30 rising to \$4,000 for those 60 and over)</li> </ul>

### Higher premiums for older Americans

A 64-year-old's annual premiums could increase by almost 30% to \$13,100 on average, according to an S&P analysis.

Repeal	Replace
<ul style="list-style-type: none"> <li>Repeals ACA provision that prohibits insurance companies from charging older Americans more than 3 times the amount of young adults' premiums</li> </ul>	<ul style="list-style-type: none"> <li>Replacement allows insurance companies to charge older Americans up to 5 times more than young adults</li> </ul>

### Higher deductibles and copays

Without cost sharing subsidies, 6 in 10 people with Marketplace plans will have increased costs.

Repeal	Replace
<ul style="list-style-type: none"> <li>Repeals ACA cost sharing subsidies that reduce deductibles and copays for 60% of people purchasing Marketplace plans</li> </ul>	<ul style="list-style-type: none"> <li>No provision to reduce the cost of deductibles or copays. Consumers will have to bear the full cost on their own.</li> </ul>

## Higher premiums for people who lose their insurance

A new 30% premium surcharge to re-enroll in insurance is meant to encourage people to get and keep insurance, but the new penalty may cause people to wait to get insurance until they get sick—resulting in higher costs for everyone.

Repeal	Replace
<ul style="list-style-type: none"><li>Repeals ACA tax penalty of \$ 2.5% of income or \$695 per adult (whichever is higher) that encourages healthy people to purchase insurance—bringing down costs for everyone</li></ul>	<ul style="list-style-type: none"><li>Replaces with a 30% monthly premium increase, for one year, for people who lack coverage for 63 days</li></ul>

## Less revenue for Medicare, Medicaid, and premium tax credits

The replacement plan repeals a host of ACA revenue provisions that fund Medicare, Medicaid, and premium tax credits, giving \$600 billion tax break to corporations and high-income earners.

Repeal	Replace
Repeals taxes on: <ul style="list-style-type: none"><li>Insurance executive compensation over \$500,000 a year</li><li>Makers of medical devices, tanning salons, health insurers, and prescription drug manufacturers</li><li>Individuals earning more than \$200,000 and couples earning more than \$250,000 a year that go toward Medicare</li></ul>	<ul style="list-style-type: none"><li>No provision to make up for the loss of revenue in the replacement plan.</li><li>Consumers will make up the difference out-of-pocket in the form of higher insurance premiums and deductibles.</li></ul>



*Susan is from Ballwin and is 64 years old. Under the Affordable Care Act she is eligible for insurance premium tax credits and pays \$161 per month for a Marketplace plan that normally costs \$869 per month. Under the House Leadership plan, Susan would receive \$4,000 a year in tax credits—which is \$4,496 less than what she gets under the ACA.*

*Her premiums would jump to \$536 a month. She would also pay a surcharge totaling \$1,930 for the year if her insurance lapses.*

*Cost sharing subsidies mean Susan now pays a deductible of \$500 and no copays or other costs. Under the House Leadership plan, Susan's plan would have a \$3,000 deductible, 10% copays and \$6,000 out-of-pocket limit.*