

Higher Health Care Costs For Older Adults under Senate Better Care Reconciliation Act (BCRA)

Cost Increases Among Lower- and Middle-Income 60-Year Olds for Individual Market Coverage in 2020: Impact of Eliminating/Reducing Tax Credits, Loss of Cost-Sharing Subsidies, and 5:1 Age Rating					
Income	<i>Premiums Under Current Law, after tax credits</i>	<i>Premiums under BCRA, after tax credits</i>	Increase in Premiums	Increase in Out-of- Pocket Costs *	Total Increase in Premiums + Out-of- Pocket Costs
\$20,000	\$958	\$4,168	\$3,210	\$4,549	\$7,759
\$30,000	\$2,475	\$5,968	\$3,493	\$1,253	\$4,746
\$40,000	\$4,074	\$8,578	\$4,504	**	\$4,504
\$45,000	\$4,359	\$16,133	\$11,774	**	\$11,774
\$60,000	\$11,977	\$16,304	\$4,328	**	\$4,328

Calculations by AARP Public Policy Institute

Effect of the Senate Better Care Reconciliation Act (BCRA), as released on June 26, 2017, on total health care costs (including premiums and out-of-pocket costs) in 2020 in order for people to keep their current (silver plan) level of coverage. Silver plan premiums and tax credits in 2020 obtained from the Kaiser Family Foundation. 2020 tax credits are calculated based on bronze plan premiums, as called for by the BCRA. Premiums under the BCRA reflect 5:1 age rating.

* Increase in cost-sharing reflects the elimination of cost-sharing subsidies under BCRA, and is the increase in maximum out-of-pocket limits between standard individual silver plans (those covering 70 percent actuarial value) and cost sharing reduction plans (those covering 73 percent, 87 percent, or 94 percent actuarial value). Data on out-of-pocket limits are from Center for Medicare and Medicaid Services 2017 Health Insurance Marketplace Public Use File, <https://www.cms.gov/CCIIO/Resources/Data-Resources/marketplace-puf.html>

** : Under current law, cost-sharing subsidies are only available for people with incomes between 100 percent and 250 percent of the federal poverty level (FPL) for individuals. Therefore the loss of cost-sharing subsidies is not shown for other income levels.