

# ACA Benefit Programs Background

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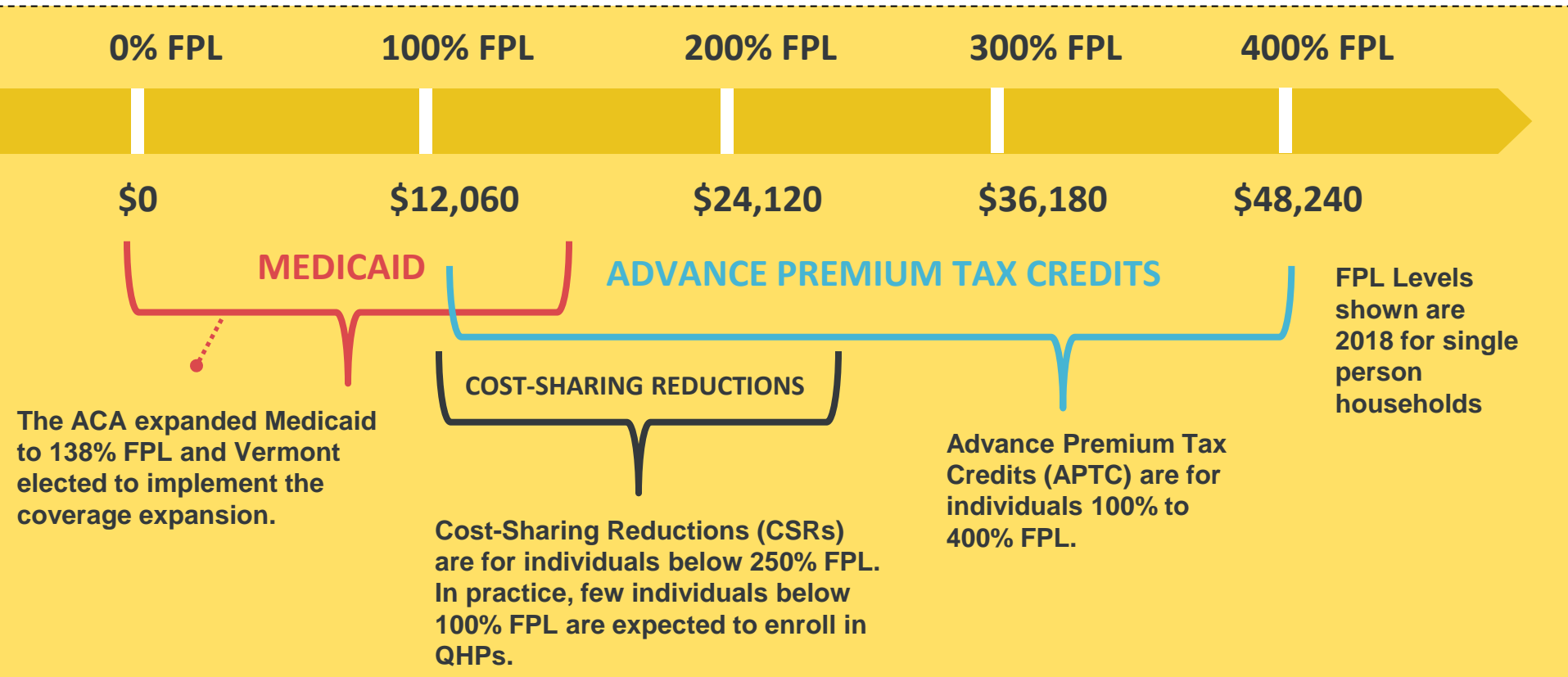


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# ACA Insurance Affordability Programs

- The “Silver Solution” works because all consumers eligible for the CSRs are also eligible for the APTC.



# Advanced Premium Tax Credit (APTC)

- Subsidizes the cost of premiums for low and moderate income families.
- “Advanced” means it can be used to lower the upfront premium costs, or it can be taken as a credit at the end of the year on income tax returns.
- The credit amount is calculated using the premium amount for the Second Lowest Cost Silver (SLCSP) or “Benchmark” Plan, but a family may use the credit to purchase any metal level of health insurance coverage.

<b>Cost of a Benchmark Plan</b>		<b>Expected Family Contribution:</b>		<b>Advance Premium Tax Credit (APTC)</b>
2018 \$6,060 per year or \$505/month		2018 Single 200% FPL = \$24,120 Premium Contribution 6.34% o = \$1,529 year or \$127 per month		2018 \$4,531/year or \$378 per month

The **premium of the Benchmark Plan** is the cost of the second lowest cost Silver plan (SLCSP) used to calculate the amount of APTC.

The family’s **expected contribution** is set on a sliding scale based on income. It varies from 2% of income at 100% FPL to 9.5% at 400% FPL.

The **Advance Premium Tax Credit (APTC)** “fills the gap” between what a family is expected to contribute to health insurance and the cost of a benchmark plan.

# Cost Sharing Reductions (CSRs)

- CSRs lower out of pocket costs such as deductibles, coinsurance and co-payments
- Only available if the family purchases a Silver level plan
- There are three tiers of CSR benefits based on family income/FPL level

## IMPACT OF CSRs ON OUT-OF POCKET COSTS

CSR Tier Levels	TIER 1 CSR Silver Plan: 94% Actuarial Value	TIER 2 CSR Silver Plan: 87% Actuarial Value	TIER 3 CSR Silver Plan: 73% Actuarial Value	NO CSR Silver Plan: 70% Actuarial Value
FPL Income Range	<150% FPL	150% FPL - 200% FPL	200% FPL - 250% FPL	250%+ FPL
2018 FPL Single	Up to \$18,090	\$18,091-\$24,120	\$24,121 - \$30,150	\$30,151 + -
Primary Care Visit	\$3	\$15	\$40	\$45
Specialist Visit	\$5	\$20	\$50	\$65
Laboratory Tests	\$3	\$15	\$40	\$45
X-Rays and Diagnostics	\$5	\$20	\$50	\$65
Generic Drugs	\$3	\$5	\$20	\$25

TYPES OF HEALTH CARE SERVICES



# Consumer Example #1 - CSR Beneficiary

CSR Beneficiary – 200% FPL		Annual	Monthly	Notes
1	Single Person Income	\$24,120	\$2,010	200% FPL
2	Expected Income Contribution	\$1,529	\$127	6.34%
<u>Current Law</u>				
3	Benchmark Silver Plan Premium	\$6,060	\$505	SLCSP
4	Advanced Premium Tax Credit	\$4,531	\$378	APTC
5	CSR Benefit Covered	\$727	\$61	
<u>Proposal</u>				
6	Silver Loaded Benchmark Plan	\$6,787	\$566	+ \$727/yr
7	<i>New</i> Advanced Premium Tax Credit	\$5,258	\$439	+ \$727/yr
8	CSR Benefit Covered	\$727	\$61	same
9	Consumer Pays the Same Amount	\$1,529	\$127	Expected Contribution

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# Consumer Example #2 - APTC Beneficiary

APTC Beneficiary Only – 400% FPL		Annual	Monthly	Notes
1	Single Person Income	\$48,240	\$4,020	400% FPL
2	Expected Income Contribution	\$4,612	\$384	9.56%
<u>Current Law</u>				
3	Benchmark Silver Plan Premium	\$6,060	\$505	SLCSP
4	Advanced Premium Tax Credit	\$1,448	\$121	APTC
5	Gold Plan Premium Amount	\$7,608	\$634	
6	Actual Consumer Cost	\$6,160	\$513	
<u>Proposal</u>				
7	Silver Loaded Benchmark Plan	\$6,787	\$566	+ \$727/yr
8	<i>New</i> Advanced Premium Tax Credit	\$2,175	\$181	+ \$727/yr
9	Gold Plan Premium Amount	\$7,608	\$634	
10	Actual Consumer Cost	\$5,433	\$453	- \$727/yr

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