# **Silver Loading**

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## **Silver Loading Background**

ACA Federal benefits based on income:

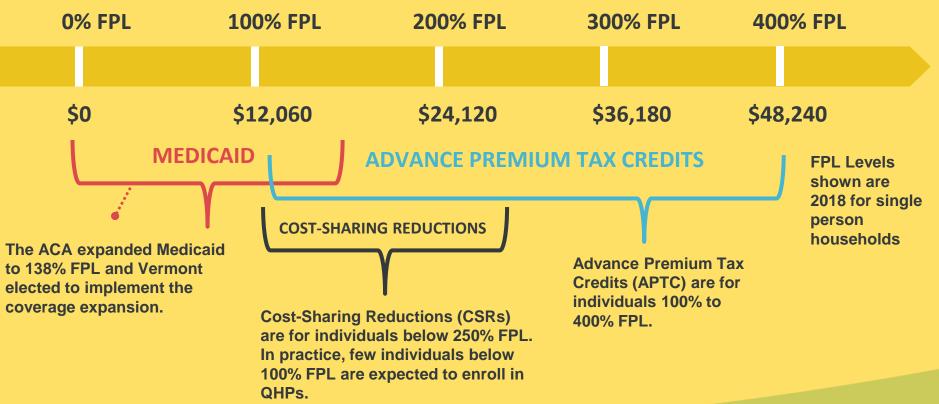
- <u>Advanced Premium Tax Credits (APTC)</u> reduces a member's premium amount based on family income level
- <u>Cost-sharing-reduction (CSR)</u> lowers out-ofpocket costs (deductibles, copays and coinsurance) by increasing the AV value of the Silver Plan for CSR beneficiaries
- October 2017 federal government stopped making CSR payments to insurers, but continued to require the benefits





### **Silver Loading Background**

#### **ACA Insurance Affordability Programs**







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### **2019 Silver Loading**

**Goal:** Protect consumers by fully offsetting the lost CSR payments with federal advanced premium tax credits

- Proposed "Silver Solution" like most other states
- Increase VHC Silver Plan premiums to cover the cost of the federal CSR subsidies
- Maximizes Vermonters federal APTC funding
- Offer <u>nearly identical</u> direct-purchase Silver Level "Reflective Plans" without the CSR cost included in the premiums to non-subsidized individual and group customers





### 2020 and Beyond

- Current situation with Silver Loading
- Notice of Benefits and Payment Parameters for 2020
- Reason for proposed statutory change





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