

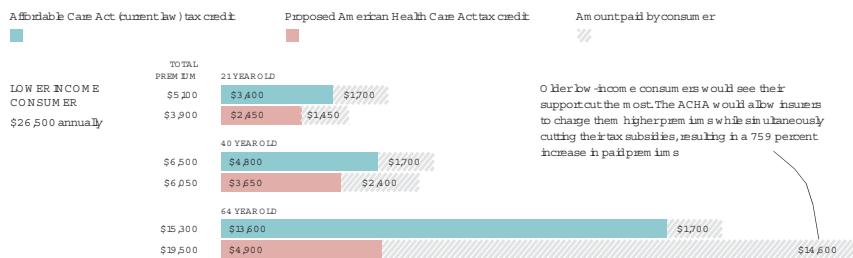
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GOVERNMENT AFFAIRS AND GRASSROOTS ADVOCACY

CBO Says AHCA Credit Changes Hit Poorer, Older Consumers Hardest

The Congressional Budget Office released its highly anticipated estimate of the costs and effects of the House GOP's health plan, called the American Health Care Act. Overall, the bill would decrease budget deficits by \$337 billion during the 2017-26 period, but would also increase the number of uninsured by 24 million in 2026.

The report compares the age-based tax credit benefits offered by the AHCA with the income-based benefits offered by the Affordable Care Act, and finds that older enrollees with low incomes in the individual insurance market would be hit hardest by the AHCA's changes. Individuals with higher incomes, who currently receive no credits under the Obama care, would benefit from the AHCA's new age-based credits. Premiums would decline by 10 percent on average, but the AHCA would allow insurers to charge older enrollees higher premiums and cover a smaller share of

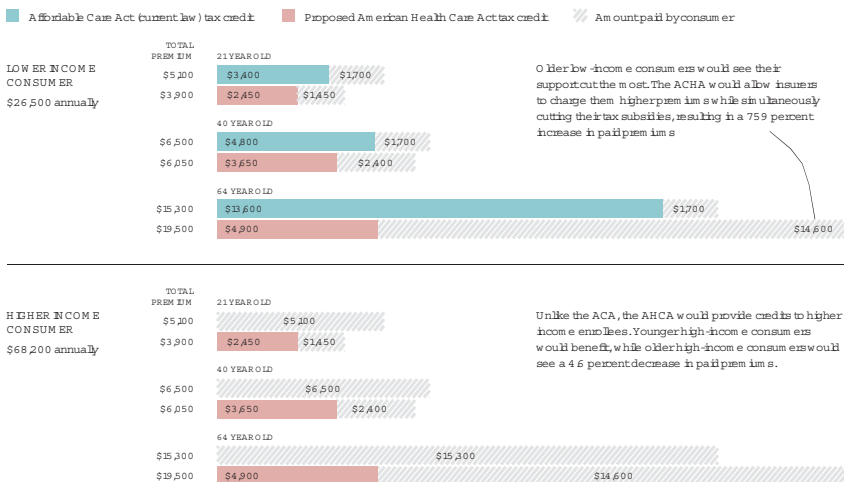
The CBO's Estimates for Insurance Premiums and Tax Credits in 2026



Other low-income consumers would see their support cut the most. The AHCA would allow insurers to charge them higher premiums while simultaneously cutting their tax subsidies, resulting in a 75.9 percent increase in net premiums.

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Unlike the ACA, the AHCA would provide credits to higher income enrollees. Younger high-income consumers would benefit, while other high-income consumers would see a 4.6 percent decrease in net premiums.

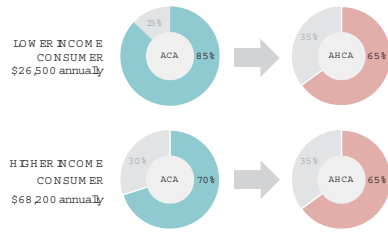
CBO Says New Insurance Plans Will Cover Smaller Share of Health Care Costs

Although the CBO calculates that premium costs before credits are lowered on average by 10 percent, some of this price reduction reflects the lower value of benefits likely to be covered by insurance plans.

The AHCA repeals the Affordable Care Act's actuarial requirements, which require insurers to cover a certain share of costs: 60 percent for a "bronze" plan, 70 percent for "silver" and 80 percent for "gold".

Without these requirements in place, the CBO estimates that insurers will tend to offer plans with lower actuarial value.

Share of medical costs covered by the average insurance plan, ACA vs. AHCA:



Source: CBO