

March 2017

The proposed American Health Care Act (AHCA) would shift premium tax credits from an income-based calculation to an age-adjusted fixed amount. In the AHCA, individuals earning under \$75,000, or \$150,000 for a married couple, would receive between \$2,000 to \$4,000 a year, depending on age. For those earning above the income thresholds, the tax credit is reduced by 10 percent of the amount earned above the threshold. The table below compares the premium tax credits available to individuals under the Affordable Care Act (ACA) and the AHCA. It shows the premium prices for the plan with the most limited benefits (catastrophic) and the most commonly purchased plan (silver) currently available on the individual marketplace.

Income	Age	2017 Catastrophic* Lowest, Non-tobacco Rate	2017 Silver* Lowest, Non-tobacco Rate	Affordable Care Act 2020 Tax Credit	American Health Care Act 2020 Tax Credit	\$ Change from ACA to AHCA	% Change from ACA to AHCA
\$20,000	27	\$1,862	\$2,873	\$2,680	\$2,000	-\$680	-25%
	40	\$2,270	\$3,504	\$3,480	\$3,000	-\$480	-14%
	60	\$4,821	\$7,441	\$8,470	\$4,000	-\$4,470	-53%
\$40,000	27	\$1,862	\$2,873	\$0	\$2,000	\$2,000	n/a
	40	\$2,270	\$3,504	\$360	\$3,000	\$2,640	734%
	60	\$4,821	\$7,441	\$5,350	\$4,000	-\$1,350	-25%
\$75,000	27	\$1,862	\$2,873	\$0	\$2,000	\$2,000	n/a
	40	\$2,270	\$3,504	\$0	\$3,000	\$3,000	n/a
	60	\$4,821	\$7,441	\$0	\$4,000	\$4,000	n/a
\$100,000	27	\$1,862	\$2,873	\$0	\$0	\$0	n/a
	40	\$2,270	\$3,504	\$0	\$500	\$500	n/a
	60	\$4,821	\$7,441	\$0	\$1,500	\$1,500	n/a

Unlike the ACA, the AHCA does not provide support for cost-sharing reduction in addition to premium tax credits. Under the AHCA, states have the option to increase available tax credits through \$100 billion in federal funds over 10 years into a Patient and State Stability Fund.

Notes: Pulaski County data was used to determine annual premium tax credits.

*The deductible for the catastrophic plan is \$7,150, and the deductible for the silver plan is \$3,000.

Sources: kff.org/interactive/tax-credits-under-the-affordable-care-act-vs-replacement-proposal-interactive-map/ and rhld.insurance.arkansas.gov/Info/Public/CompareRates