ACA Premiums are Lower Than You Think

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Perspective on ACA Premiums

2016 ACA Premiums 20% Below Original CBO Projections

Source: CBO, ASPE, CMS, authors' analysis

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Individual Market Premiums Dropped 10-21% After ACA

Avg Individual Mkt
Premiums (High Est.)

Avg Individual Mkt
Premiums (Low Est.)

Avg ACA Premiums
(2nd-Lowest Cost
Silver Plan)

Pre-ACA

Post-ACA

2009 2010 2011 2012 2013

2014 2015 2016

Source: CBO, NORC, ASPE, and authors' analysis

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How the ACA Impacts Premiums

• Upward pressure
  • Guaranteed issue
  • Minimum benefits
  • Out-of-pocket limits

• Downward Pressure
  • Narrow networks
  • Lower provider reimbursement
  • Transparent marketplace and potentially more price-sensitive consumers
Caveats

- Older CBO data
- Mean ≠ Median
- Reinsurance
- Premiums differ significantly across the country
- 2017 correction
ACA Premiums 10% Below Employer Premiums