



# State Chart Book: Comparison of Predicted Premium Differences across Counties under the Affordable Care Act and the American Health Care Act

**State: Montana**

## About this Chart Book:

This State Chart Book supplements NASHP's brief, [Health Care is Local: Impact of Income and Geography on Premiums and Premium Support](#). Using data and modeling from the Kaiser Family Foundation, we present estimated premiums and tax credits under current law created by the Affordable Care Act (ACA) and under the American Health Care Act (AHCA) by high and low cost regions and by age and income.<sup>1</sup>

The Kaiser Family Foundation analysis assumes that the majority of states will adopt the AHCA's option to expand the allowable age rating ratio from 3-to-1 to 5-to-1—with the exception of Massachusetts, New York, Vermont and the District of Columbia, which have established separate rating bands in state law that are the same or lower than the 3-to-1 ratio. The data do not account for the potential adoption of waivers to provide less comprehensive coverage which could lower premiums, as provided as state option under the AHCA – although it is important to note those lower premiums would be more than offset by increases in total out-of-pocket costs as estimated by the CBO. The Kaiser Family Foundation data account for anticipated non-enforcement of the individual mandate, which the Congressional Budget Office (CBO) predicts could increase premiums by an additional 15 to 20 percent; data also account for the AHCA risk stabilization programs states could adopt to help offset insurance cost. Experts have questioned the adequacy of these funds to significantly address costs.<sup>2</sup> We also note that estimates do not reflect the effect of the AHCA's proposed changes to Medicaid, including repeal of Medicaid expansion and proposed changes to Medicaid funding. We believe the data may underestimate premium increases under the AHCA that could be caused by the shift of Medicaid populations into private coverage, particularly for those states that expanded Medicaid eligibility above 138 percent of the Federal Poverty Level.

Note that these estimates *only* consider premium costs – they do not incorporate any analysis of predicted out-of-pocket expenses due to cost-sharing. Thus, this analysis only provides a partial picture of how consumer costs may shift due to changes incurred under the AHCA. The AHCA's proposed elimination of Cost Sharing Reduction payments (CSR) and predicted stimulation of high-deductible health plans, for example, are expected to increase out-of-pocket spending, with especially significant increases predicted for consumers in states that opt to waive Essential Health Benefits or guaranteed issue requirements under the AHCA.<sup>3</sup>

## Methodology:

NASHP sorted all counties into even groups (usually quintiles) by gross premium rate; counties highlighted in this report are those with the highest population within each grouping. The data identifies 27-, 40- and 60- year olds that, respectively, have annual incomes of \$20,000, \$30,000, \$50,000 or \$75,000 and projects potential total premium, tax credit and premium share paid directly by the consumer in high and low cost counties (where applicable) in the state in 2020.

<sup>1</sup> Kaiser Family Foundation, "Premiums and Tax Credits Under the Affordable Care Act vs. the American Health Care Act: Interactive Maps", accessed June 7, 2017 : <http://kff.org/interactive/tax-credits-under-the-affordable-care-act-vs-replacement-proposal-interactive-map/>.

<sup>2</sup> Hall, J., "High-Risk Pools for People with Preexisting Conditions: A Refresher Course", accessed June 7, 2017, <http://www.commonwealthfund.org/publications/blog/2017/mar/high-risk-pools-preexisting-conditions>;

Capretta, J. and Miller, T., "How to Cover Pre-existing Conditions", accessed June 7, 2017, <http://www.nationalaffairs.com/publications/detail/how-to-cover-pre-existing-conditions>; Politz, K., "High-Risk Pools for Uninsurable Individuals", accessed June 7, 2017, <http://www.kff.org/health-reform/issue-brief/high-risk-pools-for-uninsurable-individuals/>.

<sup>3</sup> Congressional Budget Office, "Cost Estimate H.R. 1628 American Health Care Act of 2017, As passed by the Hosue of Representatives on May 4, 2017", accessed on June 7, 2017, <https://www.cbo.gov/system/files/115th-congress-2017-2018/costestimate/hr1628aspassed.pdf>



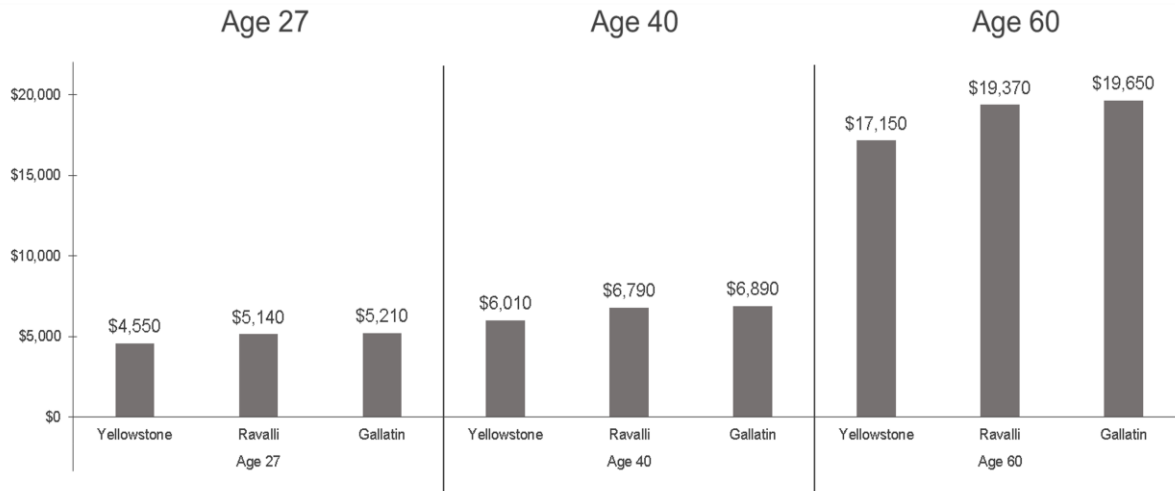
## Comparison of Predicted Premium Differences across Counties under the Affordable Care Act and the American Health Care Act

State: **Montana**

### Estimated premium variation, by age, across counties

Estimates indicate there will be gross premium variation within Montana, before factoring in any government tax credits. As Figure 1 shows, by 2020 a 40-year-old consumer in Yellowstone County, one of Montana’s lowest cost counties, could see prices as low as \$6,010 per year. In contrast, a 40-year-old in Gallatin County could see prices as high as \$6,890 per year.

**Figure 1 – Estimated Gross AHCA Premiums by County and Age in 2020**



Counties for this analysis were identified by sorting all counties in the state into even groupings (usually quintiles) based on premiums.<sup>4</sup> The most populous county in each grouping is represented in Figure 1. Figures 2a-c and Table 1 use data from the counties identified in Montana’s highest and lowest cost grouping to provide a comparison of differing effects of the ACA and the AHCA in high and low-premium cost regions of the state.

All data for this report were adapted from analysis conducted by the Kaiser Family Foundation (which contains data for every county).<sup>5</sup> See State Fact Sheet Overview for further details on the data source and limitations.

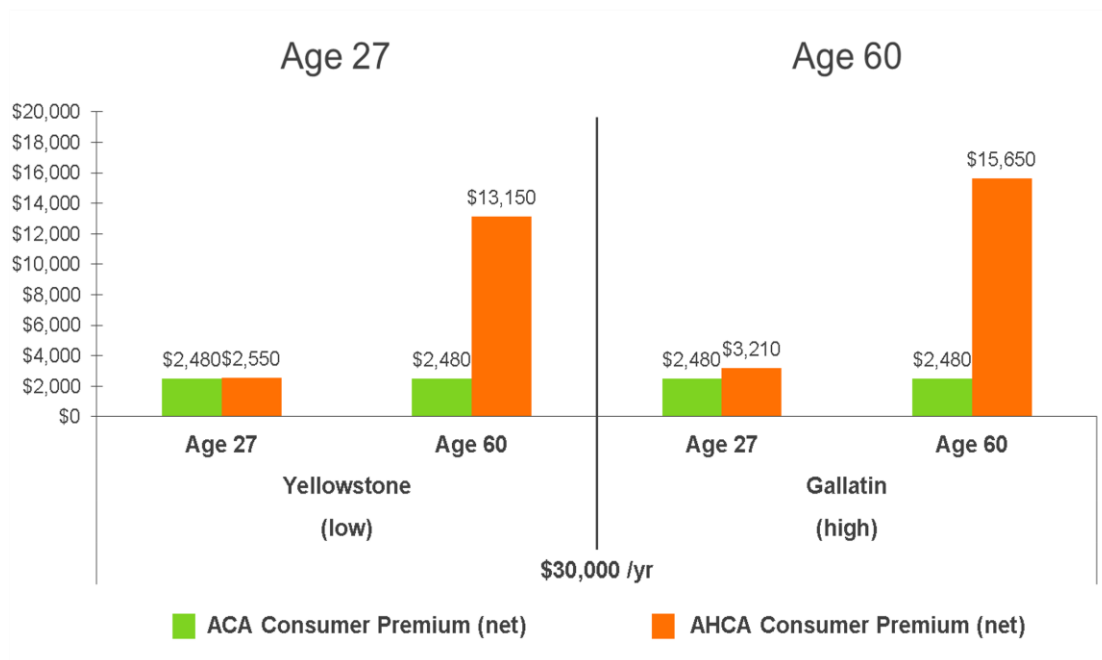
<sup>4</sup> Depending on the degree of premium variation in the state, sometimes quartiles or less were used to ensure even groups.

<sup>5</sup> Kaiser Family Foundation, “Premiums and Tax Credits Under the Affordable Care Act vs. the American Health Care Act: Interactive Maps” (April 27, 2017): <http://kff.org/interactive/tax-credits-under-the-affordable-care-act-vs-replacement-proposal-interactive-map/>.

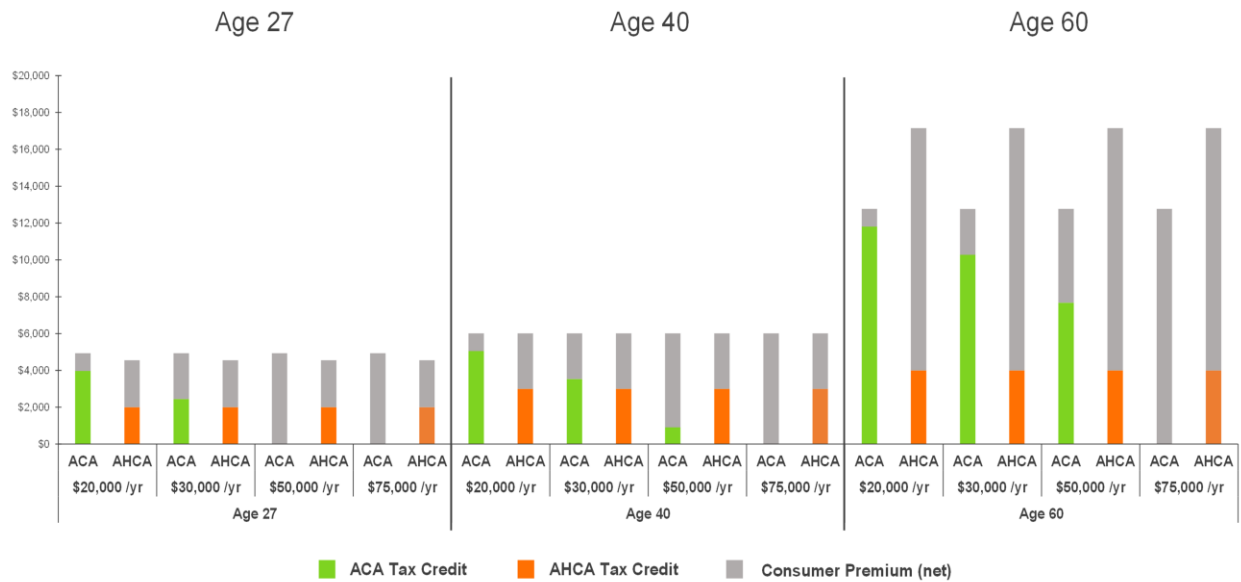
**AHCA would have disproportionate effects across counties, age groups, and income levels**

Regional market conditions cause variation in premiums charged across states. The Affordable Care Act’s (ACA) tax credit structure is adjusted to reflect differences in region, age, and income. By contrast, the American Health Care Act (AHCA) provides a flat tax credit based on age, and capped for individuals making over \$75,000 per year. The charts below reflect predicted tax credits and consumer (net) premium based on premiums costs estimated by the Kaiser Family Foundation under the ACA and AHCA in 2020.

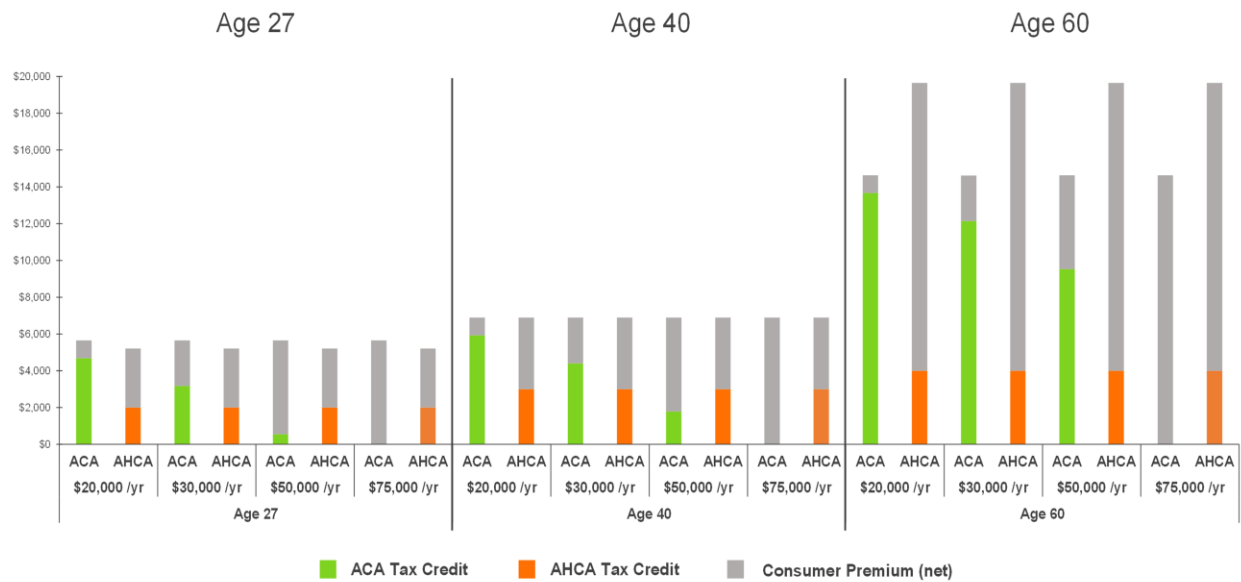
**Figure 2a – Premium Cost to Consumer after Tax Credit, under the ACA & AHCA, in 2020**  
*(showing counties from Montana’s lowest and highest cost groupings; estimated for individual earning \$30,000 per year)*



**Figure 2b – Comparing Estimated ACA and AHCA Premiums and Tax Credits, by Age and Income, for a Low Cost Region (Yellowstone County), in 2020**



**Figure 2c – Comparing Estimated ACA and AHCA Premiums and Tax Credits, by Age and Income, for a High Cost Region (Gallatin County), in 2020**



**Table 1 – Comparing Estimated ACA and AHCA Premiums and Tax Credits, by Age and Income, for a High Cost County and a Low Cost County, in 2020**

	TOTAL PREMIUM (\$)			TAX CREDITS (\$)			CONSUMER PAYS (\$)		
	ACA	AHCA	Change	ACA	AHCA	Change	ACA	AHCA	Change
<b>Yellowstone (low)</b>									
Age 27									
\$20,000 /yr	4,930	4,550	-380	3,970	2,000	-1,970	960	2,550	+1,590
\$30,000 /yr	4,930	4,550	-380	2,450	2,000	-450	2,480	2,550	+70
\$50,000 /yr	4,930	4,550	-380	0	2,000	+2,000	4,930	2,550	-2,380
\$75,000 /yr	4,930	4,550	-380	0	2,000	+2,000	4,930	2,550	-2,380
Age 40									
\$20,000 /yr	6,010	6,010	0	5,050	3,000	-2,050	960	3,010	+2,050
\$30,000 /yr	6,010	6,010	0	3,530	3,000	-530	2,480	3,010	+530
\$50,000 /yr	6,010	6,010	0	910	3,000	+2,090	5,100	3,010	-2,090
\$75,000 /yr	6,010	6,010	0	0	3,000	+3,000	6,010	3,010	-3,000
Age 60									
\$20,000 /yr	12,770	17,150	+4,380	11,810	4,000	-7,810	960	13,150	+12,190
\$30,000 /yr	12,770	17,150	+4,380	10,280	4,000	-6,280	2,480	13,150	+10,670
\$50,000 /yr	12,770	17,150	+4,380	7,670	4,000	-3,670	5,100	13,150	+8,050
\$75,000 /yr	12,770	17,150	+4,380	0	4,000	+4,000	12,770	13,150	+380
<b>Gallatin (high)</b>									
Age 27									
\$20,000 /yr	5,650	5,210	-440	4,690	2,000	-2,690	960	3,210	+2,250
\$30,000 /yr	5,650	5,210	-440	3,170	2,000	-1,170	2,480	3,210	+730
\$50,000 /yr	5,650	5,210	-440	550	2,000	+1,450	5,100	3,210	-1,890
\$75,000 /yr	5,650	5,210	-440	0	2,000	+2,000	5,650	3,210	-2,440
Age 40									
\$20,000 /yr	6,890	6,890	0	5,930	3,000	-2,930	960	3,890	+2,930
\$30,000 /yr	6,890	6,890	0	4,410	3,000	-1,410	2,480	3,890	+1,410
\$50,000 /yr	6,890	6,890	0	1,790	3,000	+1,210	5,100	3,890	-1,210
\$75,000 /yr	6,890	6,890	0	0	3,000	+3,000	6,890	3,890	-3,000
Age 60									
\$20,000 /yr	14,630	19,650	+5,020	13,670	4,000	-9,670	960	15,650	+14,690
\$30,000 /yr	14,630	19,650	+5,020	12,140	4,000	-8,140	2,480	15,650	+13,170
\$50,000 /yr	14,630	19,650	+5,020	9,530	4,000	-5,530	5,100	15,650	+10,550
\$75,000 /yr	14,630	19,650	+5,020	0	4,000	+4,000	14,630	15,650	+1,020