

WEAKENING THE ACA LIMIT ON AGE RATING **WOULD HURT OLDER ADULTS**

What is the 3:1 Limit on Age Rating?

An important ACA protection for older adults that bars insurance companies from charging them more than **three times** the amount younger adults are charged for the same coverage. This important protection ensures older adults who are not yet Medicare-eligible have access to affordable health coverage.



Changing the Limit on Age Rating from 3:1 to 5:1 will only marginally lower premiums for younger adults, but will put a significant financial burden on older adults.

ANNUAL HEALTH INSURANCE PREMIUMS:

FOR A 21-YEAR-OLD

premiums would decrease
by an average \$700
(from \$2,800 to \$2,100)*

↓ \$700

FOR A 64-YEAR-OLD

premiums would increase by an average
\$2,100 (from \$8,500 to \$10,600)*

↑ \$2,100

* Estimates are average costs for a silver plan. Source: Christine Eibner and Evan Saltzman, "Technical Appendix: Rate Banding Analysis," in Charging Older Adults Higher Premiums Could Cost Taxpayers (Washington DC: Commonwealth Fund, September 15, 2015).

Even under 3:1, older adults already face significant out-of-pocket costs and can't afford to pay more.

Average annual medical spending for those not qualifying for subsidies:

OLDER ADULTS

\$15,620

YOUNGER ADULTS

\$5,820

Source: Linda Blumberg and Matthew Buettgens, "Why the ACA's Limits on Age-Rating Will Not Cause "Rate Shock": Distributional Implications of Limited Age Bands in Nongroup Health Insurance," The Urban Institute, Washington DC, March 2013.