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NEWS RELEASE

FOR IMMEDIATE RELEASE

February 24, 2015

10:00 a.m. EST

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Actuaries Urge HHS to Allow Changes to Premium Rate Filings if ACA Subsidies Are Eliminated

WASHINGTON—The American Academy of Actuaries today [called on](#) the U.S. Department of Health and Human Services to consider proactively taking steps to address the impact of the possible elimination of Affordable Care Act (ACA) premium subsidies by a forthcoming U.S. Supreme Court ruling. Should the court decide in favor of the petitioners in *King v. Burwell*, and no action is taken to allow enrollees access to premium subsidies in states participating in the federally facilitated marketplace (FFM), a significant drop in health plan enrollment and an increase in the risk profile of remaining enrollees would drive up average health costs for health plans. However, insurers are limited in their ability to change premiums for 2015 and 2016. “As a result, premiums for 2015, which are already in place, and premiums for 2016, which need to be submitted prior to the court’s ruling, would likely be inadequate to cover claims,” the Academy’s Health Practice Council wrote in a letter to Secretary Burwell.

The Academy urged HHS to mitigate these serious consequences: “HHS and state authorities should consider allowing contingent premium rate submissions and/or revised submissions to help mitigate the potential for inadequate 2016 premiums in FFM states.” These changes could include:

- Allowing insurers to submit two sets of contingent premium rates—one set reflecting pricing assumptions that would be appropriate if premium tax credits continue to be available, and the other set reflecting pricing assumptions that would be appropriate if premium tax credits are no longer allowed.
- Allowing premium rate revisions after the May 15 submission deadline.

(MORE)

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The Academy sent a copy of its [letter](#) to the National Association of Insurance Commissioners as well as members of Congress. Read the letter and learn more by clicking on “Health” under the “Public Policy” tab at www.actuary.org.

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The American Academy of Actuaries is an 18,500+ member professional association whose mission is to serve the public and the U.S. actuarial profession. The Academy assists public policymakers on all levels by providing leadership, objective expertise, and actuarial advice on risk and financial security issues. The Academy also sets qualification, practice, and professionalism standards for actuaries in the United States.

Media Only: *To set up an interview with Academy Senior Health Fellow Cori Uccello, contact Assistant Director of Communications, Public Affairs, David Mendes at mendes@actuary.org or 202.384.2075.*