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NEWS RELEASE

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Contact: David Mendes

Phone: 202-384-2075

Email: mendes@actuary.org

Actuaries: Sustainability, Stability of Individual Market at Risk if ACA Is Repealed Without Replacement

WASHINGTON—In a Dec. 7 [letter](#) to the leadership of the U.S. Congress, the Health Practice Council of the American Academy of Actuaries warned of potentially severe consequences for the individual health insurance market if the Affordable Care Act (ACA) is repealed without a viable replacement being enacted at the same time. Eliminating reimbursements to insurers for cost-sharing reduction subsidies would raise similar concerns. The potential consequences of either could include spiraling premiums, insurer withdrawals from the individual market, and loss of coverage for millions of Americans.

“With plans for repeal of all or part of the ACA being prioritized for action early in the 115th Congress, the Academy urges members of Congress to consider what would be needed should a repeal proposal not include significant measures to prevent substantial disruption and instability in the individual market,” said Academy Senior Health Fellow Cori Uccello. “Avoiding these consequences means having in place measures to incentivize enrollment and prevent adverse selection. Delaying the effective date of repeal while a replacement is worked out likely won’t be enough to assure the stability and sustainability of the individual market.”

The letter points out specific risks and concerns to be addressed in weighing repeal and a possible replacement:

- Offering pre-existing condition protections requires incentives for enrollment.
- Eliminating provisions that encourage enrollment would threaten sustainability.
- Increasing risks could cause an increase in insurer withdrawals from the market.

(MORE)

12-07-16 –SUSTAINABILITY, STABILITY OF INDIVIDUAL MARKET AT RISK IF ACA IS
REPEALED WITHOUT REPLACEMENT

Read the [letter](#) and learn more about the Academy’s work on health reform by visiting the health section under the “Public Policy” tab at 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. For more than 50 years, the Academy has assisted 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.