From: Sara R. Collins, Munira Z. Gunja, and Herman Bhupal, “Senate Tax Bill Results in Premium Increases for Many Who Buy Their Own Coverage; Wealthiest to Benefit Most from Any Offsets from Tax Cuts,” *To the Point*, The Commonwealth Fund, Nov. 21, 2017.

**Methodology**

We use the 2018 Individual Medical Coverage Landscape file from Healthcare.gov, which provides premium information for each marketplace plan in the 39 states that use the Healthcare.gov platform.

**State-level estimates:**

We take the lowest-cost silver plan in each rating area for a 27-year-old, 40-year-old, and 60-year-old. If the lowest-cost gold plan in a rating area is lower than the lowest-cost silver plan in the rating area, then we use the lowest-cost gold plan instead.

For our state-level estimates, we average all of the lowest-cost silver (or gold) plans in each of the rating areas across the state. We do not weight the estimates in this analysis by population.

For example, in Alaska, the annual premium amount for the lowest-cost silver plan for a 27-year-old is:

* Rating Area 1: $6,708
* Rating Area 2: $7,044
* Rating Area 3: $6,876
* *Thus, the average annual 2018 premium for a 27-year old for the lowest cost silver plan in Alaska is $6,876.*

**National estimates:**

We take the lowest-cost silver plan in each rating area for a 27-year-old, 40-year-old, and 60-year-old. If the lowest-cost gold plan in a rating area is lower than the lowest-cost silver plan in the rating area, then we use the lowest-cost gold plan instead.

For our national estimates, we average all of the lowest-cost silver (or gold) plans in each of the rating areas across the country. Again, we do not weight the estimates by population.

**Exhibits and Appendix Tables:**

We then assess premium growth in two ways. The first is under current law, in which the Congressional Budget Office projects premiums to grow by 5 percent annually. The second is under the Senate’s tax bill, which would repeal the individual mandate. In the second scenario, premiums are expected to increase by 5 percent annually under current law starting in 2020. If the mandate is repealed, CBO estimates that premiums would be 10 percent higher than the baseline estimates in most years of the decade. We assume premiums will be 10 percent above the baseline in each year 2019–27.

We then look at the excess amount individuals would spend on their premiums on an annual basis if the tax bill were to pass. This is the difference between CBO’s projection of what premiums would look like under current law and what premiums would look like if the Senate bill passes.

For example, in Alaska the average annual 2018 premium for a 27-year-old for the lowest-cost silver plan is $6,876.

In 2019:

* **Under current law**: the annual premium amount would stay the same ($6,876).
* **Under Congress’s proposal**: the annual premium amount would be 10 percent more than the 2019 premium under current law ($6,876), making the annual premium $7,564.
* *Thus, in 2019, a 27-year-old would spend an additional $688 on their annual premiums in Alaska if the Senate bill were to pass.*

In 2027:

* **Under current law**: the annual premium would increase by 5 percent from 2026’s annual premium of $9,675, making 2027’s annual premium $10,159.
* **Under the Senate bill, with a mandate repeal**: the annual premium amount would be 10 percent more than the 2027 premium under current law ($10,159), or $11,175.
* *Thus, in 2027, a 27-year-old would spend an additional $1,016 on their annual premiums in Alaska if the Senate bill were to pass.*