

Topics

Overview of QHPs in the Individual Market

- QHP Issuers
- Plan Summary
- Service Area Coverage
- Premium Rates and Cost-Sharing
- Private Option QHPs

QHP Issuers

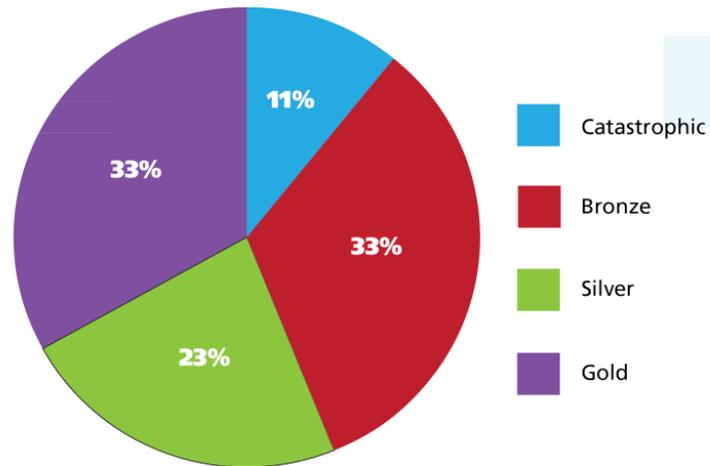
- Qualified Health Plans (QHPs) to be offered in plan year 2014 were certified on the Federally-Facilitated Marketplace (FFM) in mid-September, 2013.
- Certified plans were submitted by four medical issuers and four dental issuers.
- The four medical plan issuers with certified plans include:
 - Arkansas BlueCross BlueShield
 - BlueCross BlueShield Multi-state plan (OPM)
 - Celtic Insurance Company
 - QCA Health Plan, Inc.
- The four stand-alone dental plan issuers include:
 - Arkansas BlueCross BlueShield
 - BEST Life and Health Insurance Company
 - Delta Dental of Arkansas
 - Dentegra Insurance Company

Plan Summary

- There are 71 medical QHPs participating in the AR Marketplace in the Individual Market.
- A breakdown of the actuarial values of medical individual plans is shown in the chart below.
 - Bronze = 60% of qualifying health expenses are covered by the plan
 - Silver = 70% of qualifying health expenses are covered by the plan
 - Gold = 80% of qualifying health expenses are covered by the plan
 - Platinum = 90% of qualifying health expenses are covered by the plan

NUMBER OF MEDICAL PLANS PER METAL LEVEL

Metal Level	Number of Plans	Percentage of Total
Catastrophic	8	11%
Bronze	24	33%
Silver	16	23%
Gold	23	33%
Platinum	0	0%
Total	71	100%



Plan Summary

- There are 24 stand alone dental QHPs (SADPs) participating in the AR Marketplace in the Individual Market.
- A breakdown of the actuarial values of medical individual plans is shown in the chart below.
 - Low = 70% of qualifying health expenses are covered by the plan
 - High = 85% of qualifying health expenses are covered by the plan

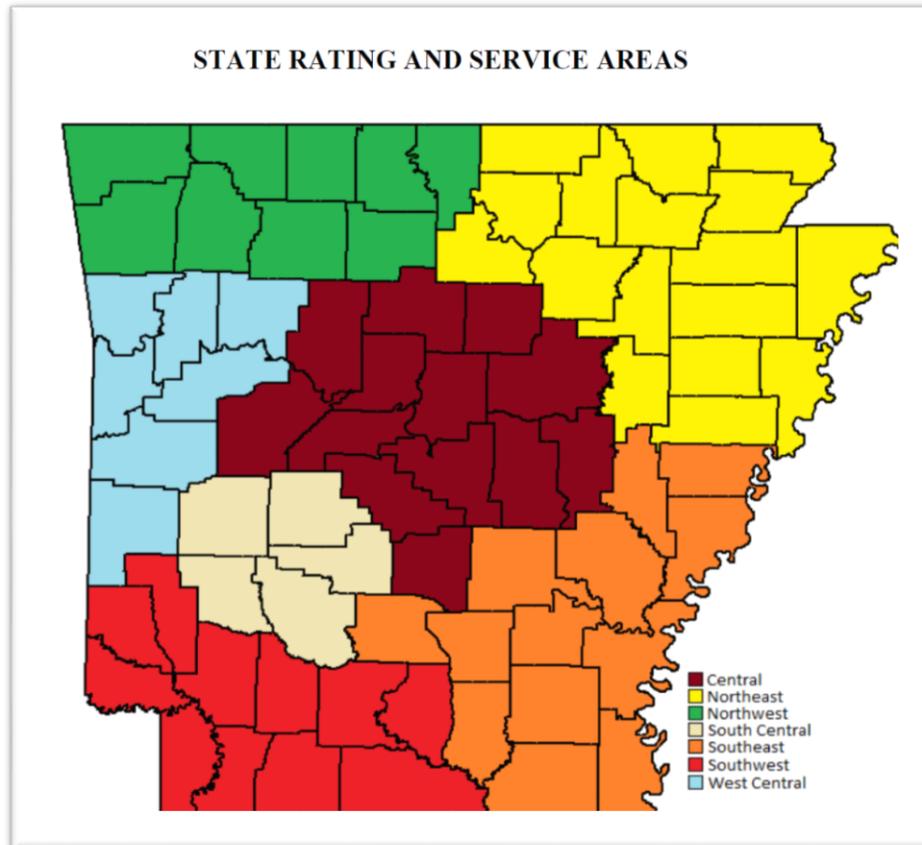
NUMBER OF SADPs PER ACTUARIAL LEVEL

Actuarial Level	Number of Plans
Low	12
High	12
Total	24

Of the 24 plans, 9 are child-only plans and 15 are both adult and child plans.

Service Area Coverage

- Per AID Bulletin 3B-2013, QHPs are required to cover all counties in any geographic region included in its service area.



Service Area Coverage

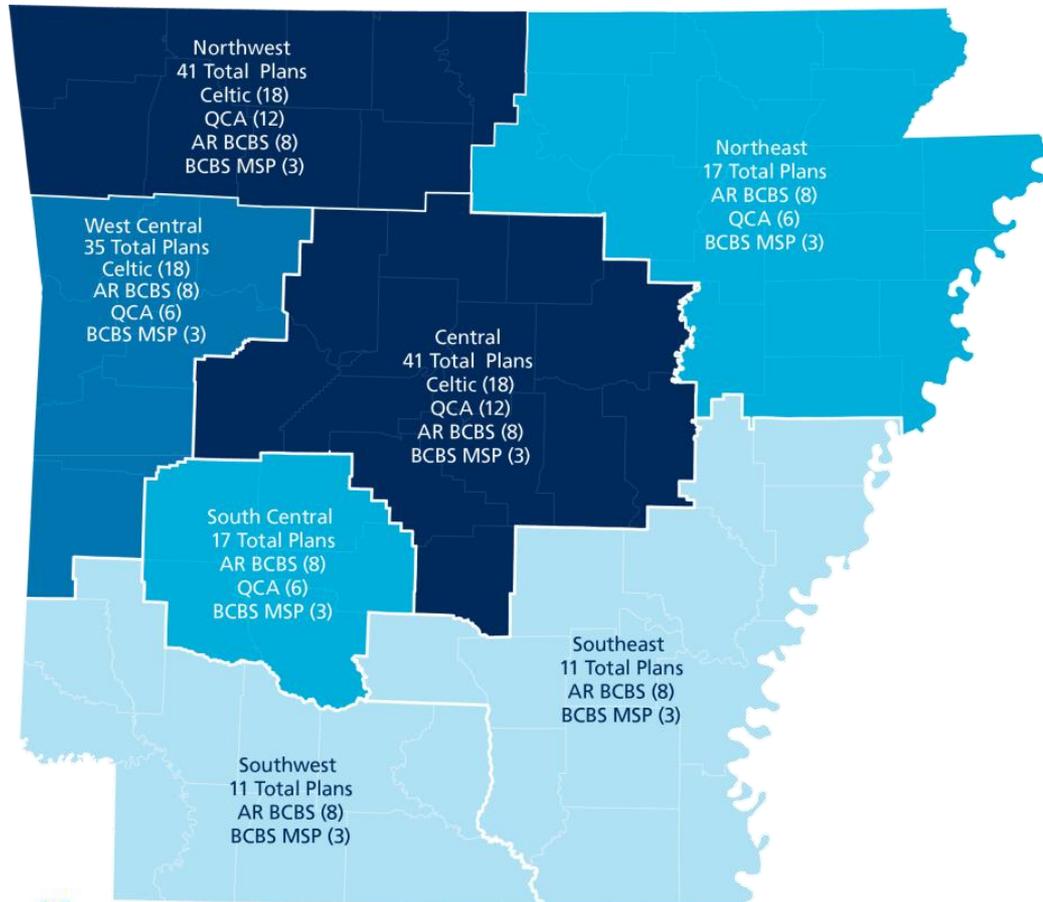
- Some plans offer statewide coverage areas, while others cover only one complete region.
- There are between two and four QHP medical issuers and between three and four stand alone dental plan issuers per service area.
- The Southeast and Southwest service area have the fewest medical issuers, while the Central and West Central have the most.

Number of Issuers by Rating Area

		1	2	3	4	5	6	7
		Central	Northeast	Northwest	South Central	Southeast	Southwest	West Central
Individual Issuers	Medical	4	3	4	3	2	2	4
	SADP	4	3	3	4	3	3	4

Service Area Coverage

TOTAL NUMBER OF MEDICAL PLANS PER SERVICE AREA

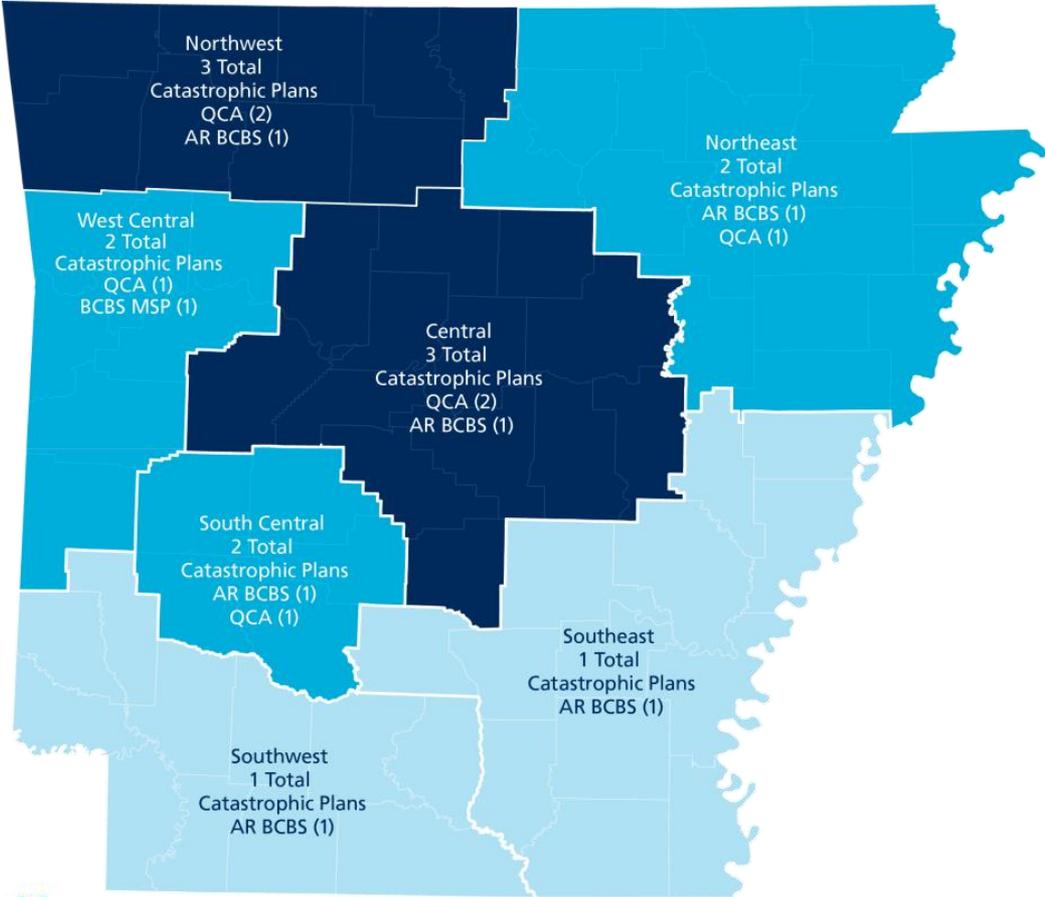


The central and northwest regions have the most plans (41), while the southeast and southwest have the fewest (3).

QCA plans are available 5 of 7 regions, Celtic plans are available in 3 of 7 regions. AR BCBS and BCBS MSP are available statewide.

Service Area Coverage

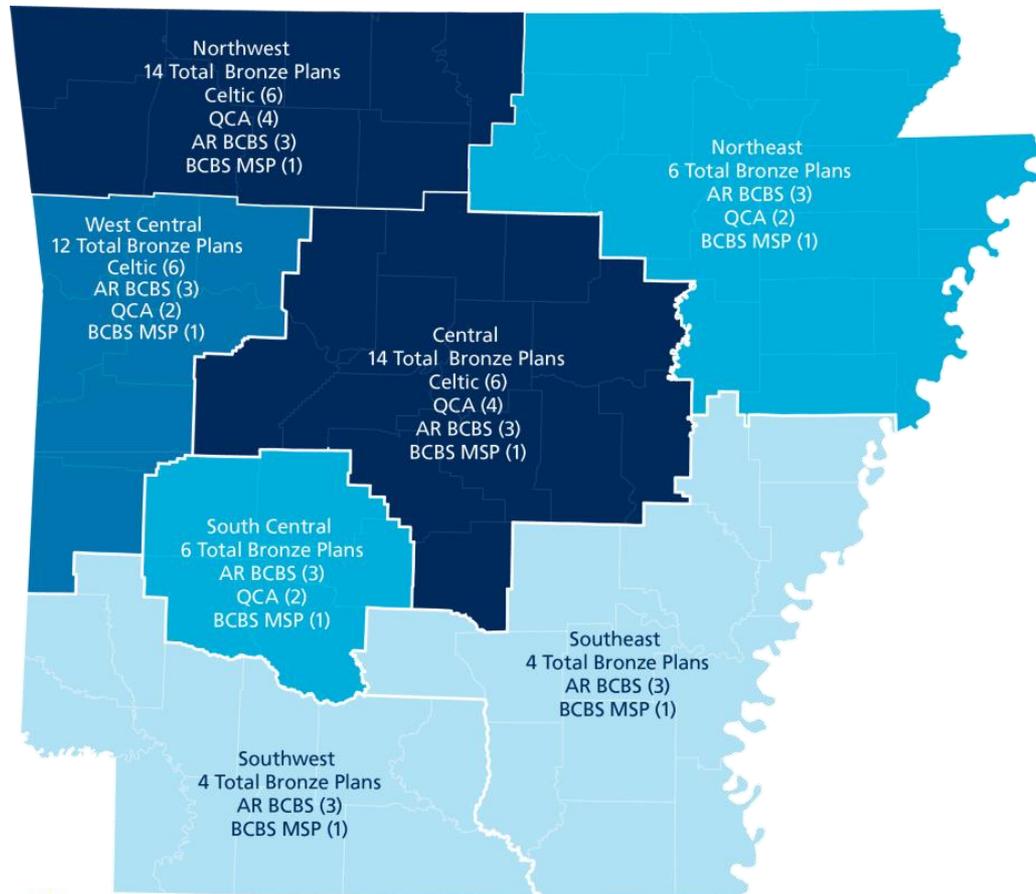
TOTAL NUMBER OF CATASTROPHIC PLANS PER SERVICE AREA



The central and northwest regions have the most catastrophic plans (3), while the southeast and southwest have the fewest (1).

Service Area Coverage

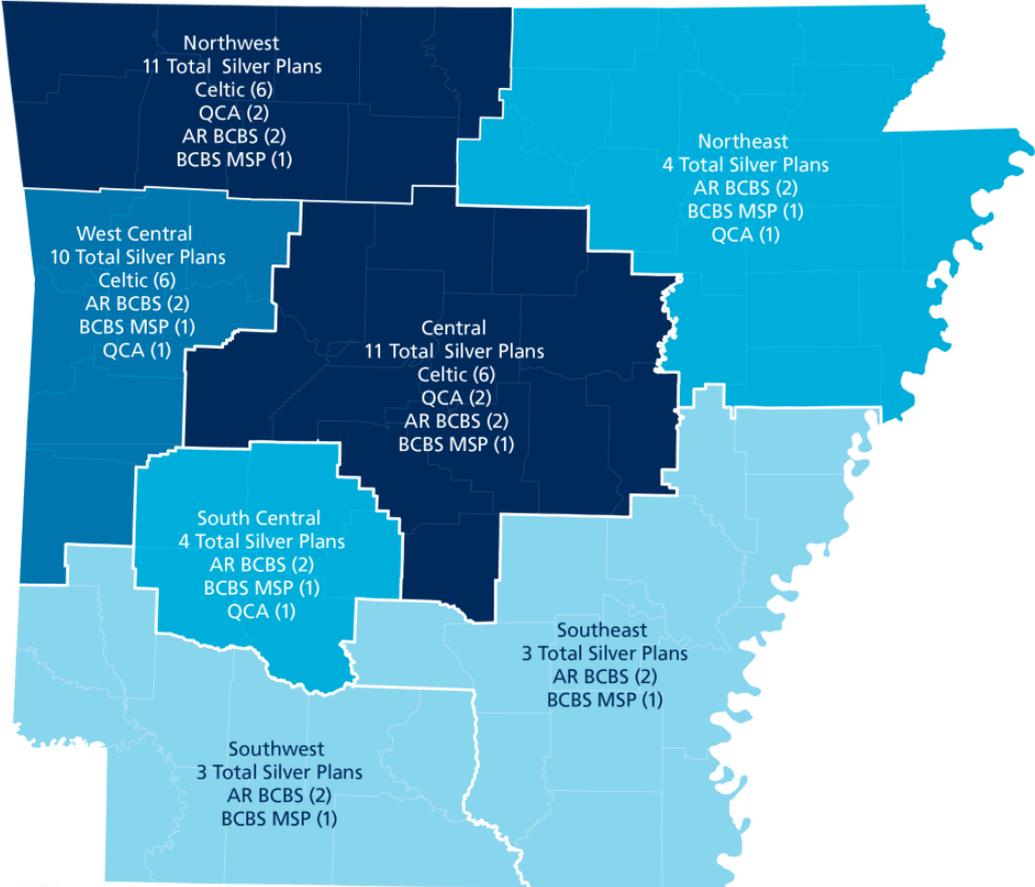
TOTAL NUMBER OF BRONZE PLANS PER SERVICE AREA



The central and northwest regions have the most bronze plans (6), while the southeast and southwest have the fewest (4).

Service Area Coverage

TOTAL NUMBER OF SILVER PLANS PER SERVICE AREA



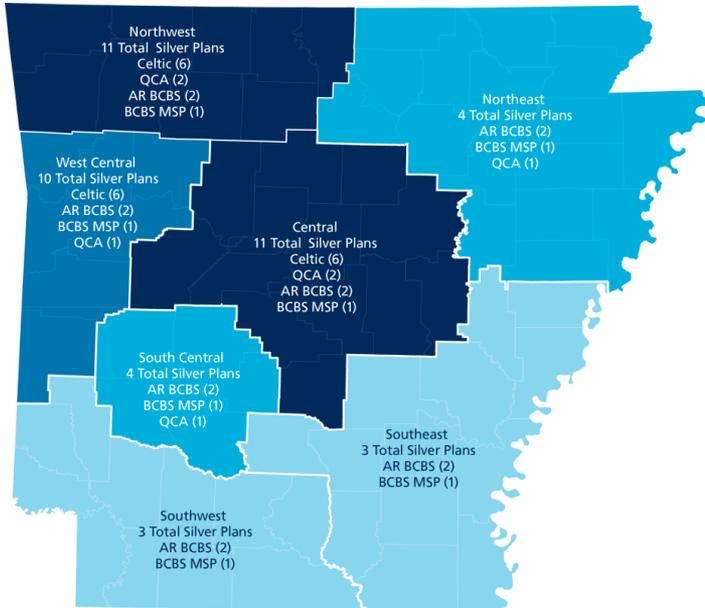
The central and northwest regions have the most silver plans (11), while the southeast and southwest have the fewest (3).

This availability of plans for the AR Private Option as well, since the Medicaid silver plan variations are all made available for purchase.



Example

TOTAL NUMBER OF SILVER PLANS PER SERVICE AREA

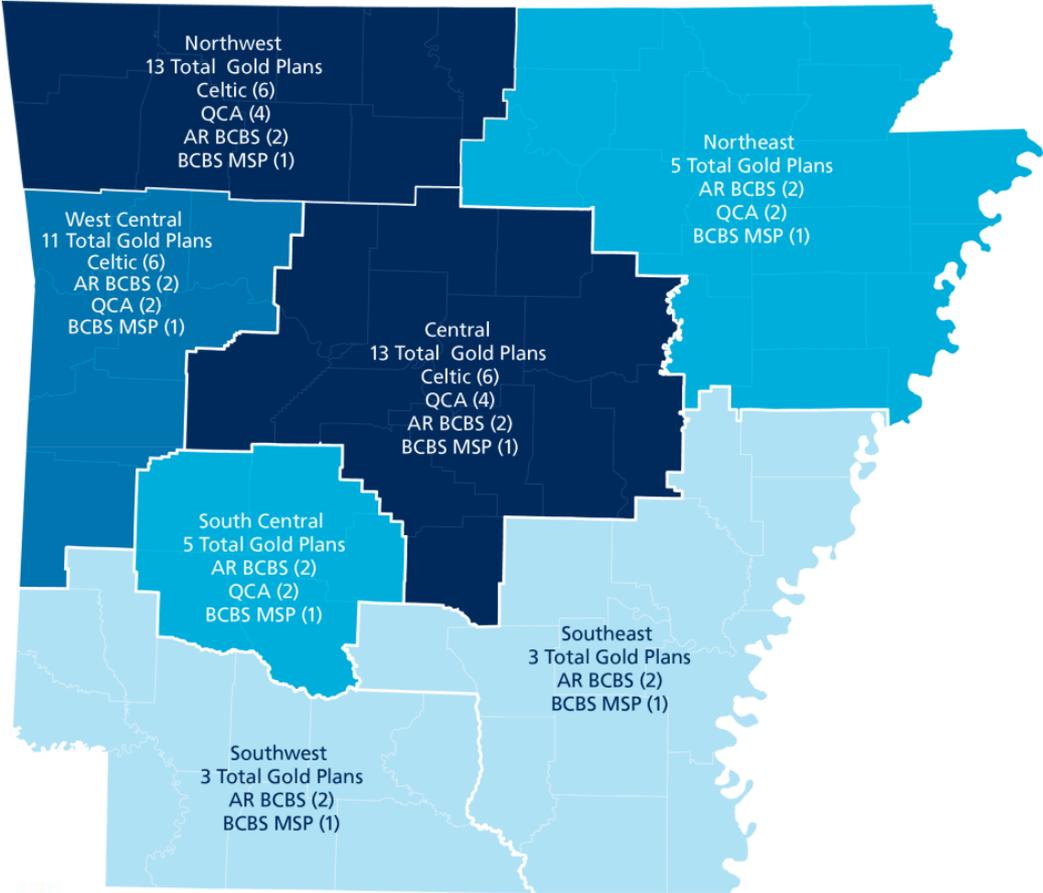


Consumers living in Fayetteville (Northwest Arkansas) will choose from 11 different silver plans offered by four issuers.

Consumers living in Pine Bluff (Southeast Arkansas) will choose from 3 different silver plans offered by one issuer (AR BCBS and BCBS MSP).

Service Area Coverage

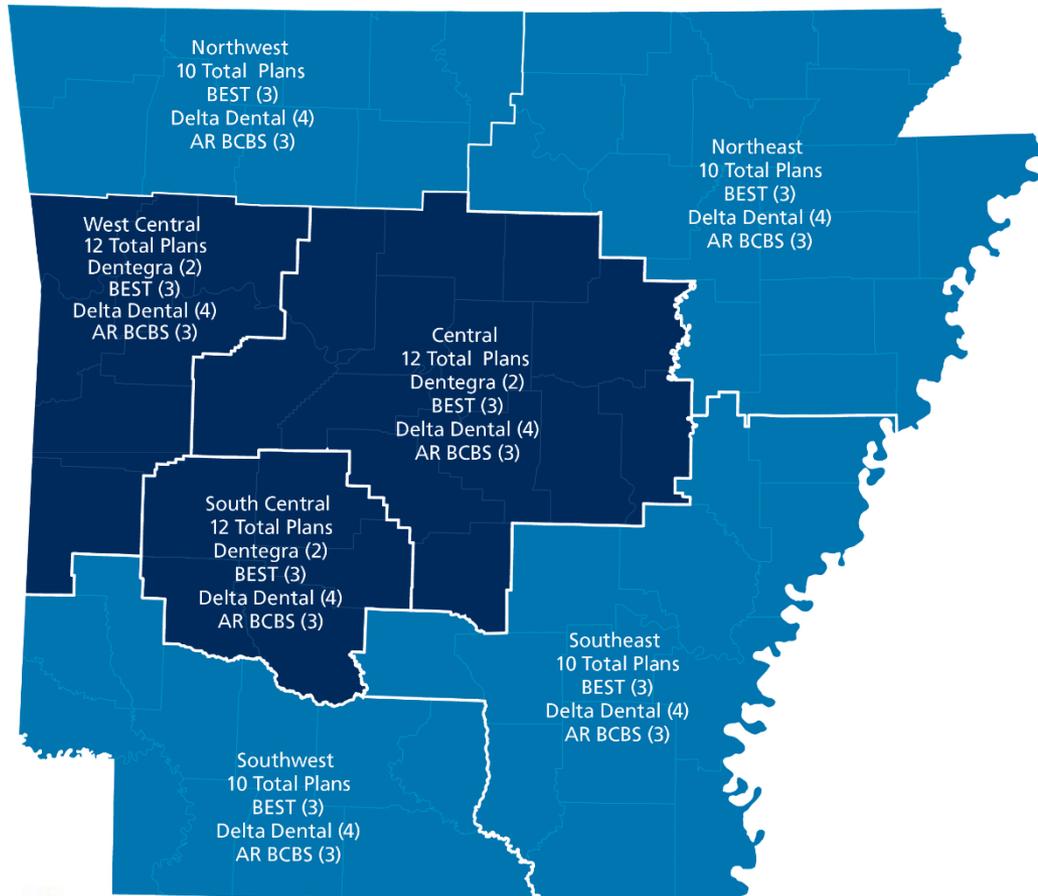
TOTAL NUMBER OF GOLD PLANS PER SERVICE AREA



The central and northwest regions have the most gold plans (13), while the southeast and southwest have the fewest (3).

Service Area Coverage

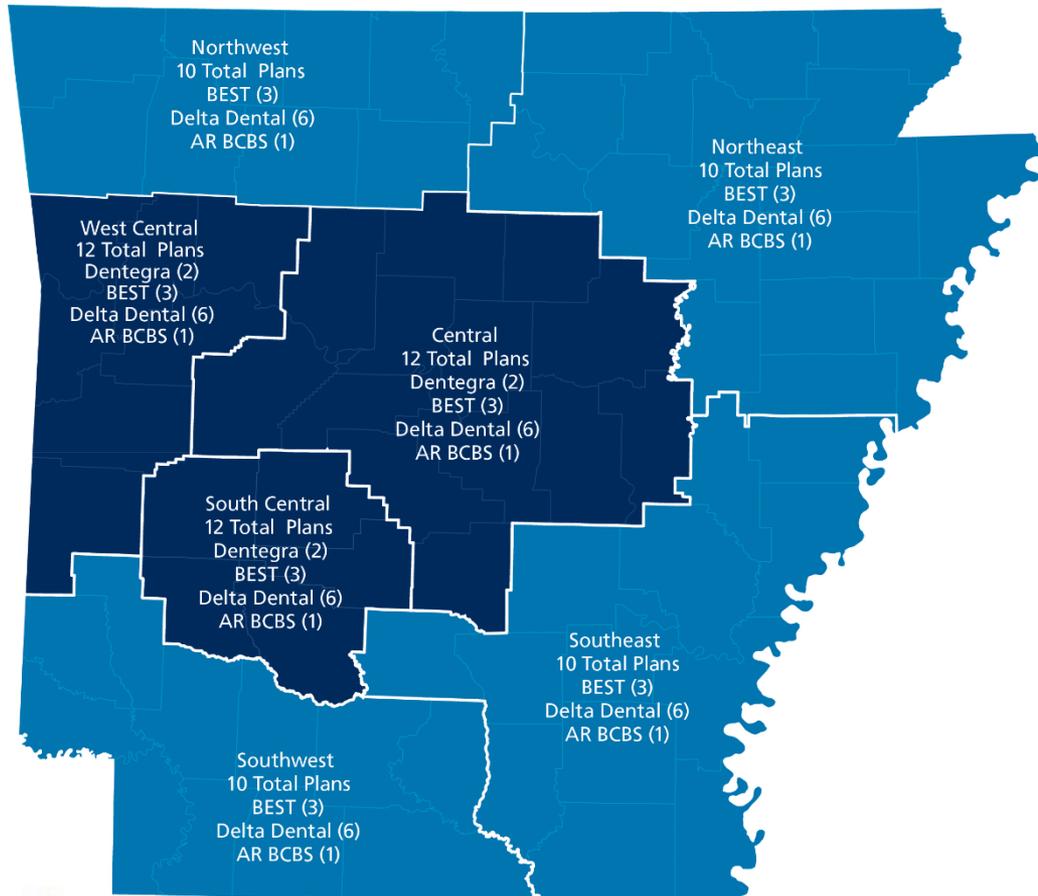
SADP "HIGH" PLANS AVAILABLE BY SERVICE AREA



The central, west central, and south central service areas have the most "high" actuarial value SADPs (12), and the rest of the state has 10 "high" A/V plans in each area.

Service Area Coverage

SADP “LOW” PLANS AVAILABLE BY SERVICE AREA



The number of low plans available is the same as the number of high plans available. The central, west central, and south central service areas have the most “low” actuarial value SADPs (12), and the rest of the state has 10 “low” A/V plans in each area.

Premium Rates – Individual Market

Overview

- A premium insurance rate is a set amount that an individual or family pays for health insurance coverage, regardless of what health services are used by the individual.
- Individuals may be eligible for advanced premium tax credits, depending on their income. An individual with median per capita income in Arkansas (around \$22,000) would be expected to pay up to 6.3% of their income in insurance premiums, or around \$120 per month.
- Health insurance premium rates for medical coverage are affected by the removal of annual and lifetime dollar limitations, removal of pre-existing conditions limitations, coverage of all ten essential health benefits and benchmark benefits, and restrictions on premium rating factors to only include age, rating area, tobacco use, and family composition.

Premium Rates – Individual Market

Premium Rating Scenarios per Rating Area

Premiums can vary depending on where the enrollees are located in the state. The table below shows the average premium for various locations in the state.

PREMIUM RATING SCENARIOS BY SERVICE AREA TABLE

	Central	Northeast	Northwest	South Central	Southeast	Southwest	West Central
Adult (Age 40)	328.05	302.17	342.68	290.03	289.63	292.44	326.85
2 Adults + 2 Kids	971.30	892.00	1,012.94	856.02	860.48	868.84	969.80
Child (0-20)	157.60	143.83	163.79	137.98	140.61	141.98	158.05
Adult (Age 64)	770.07	709.33	804.40	680.83	679.87	686.49	767.25



Example



Purchasing a Silver Plan



An individual (age 40) that purchases a silver plan in Hot Springs, AR would pay a minimum monthly premium of \$262.91 for a standard silver plan *before tax credits*.

The same individual living in Little Rock, AR would pay a minimum monthly premium of \$293.65 *before tax credits*. She would pay about the same amount in the Southeast and Southwest rating areas.



Premium Rates – Individual Market

Average Premium Rates Statewide – Individual Market

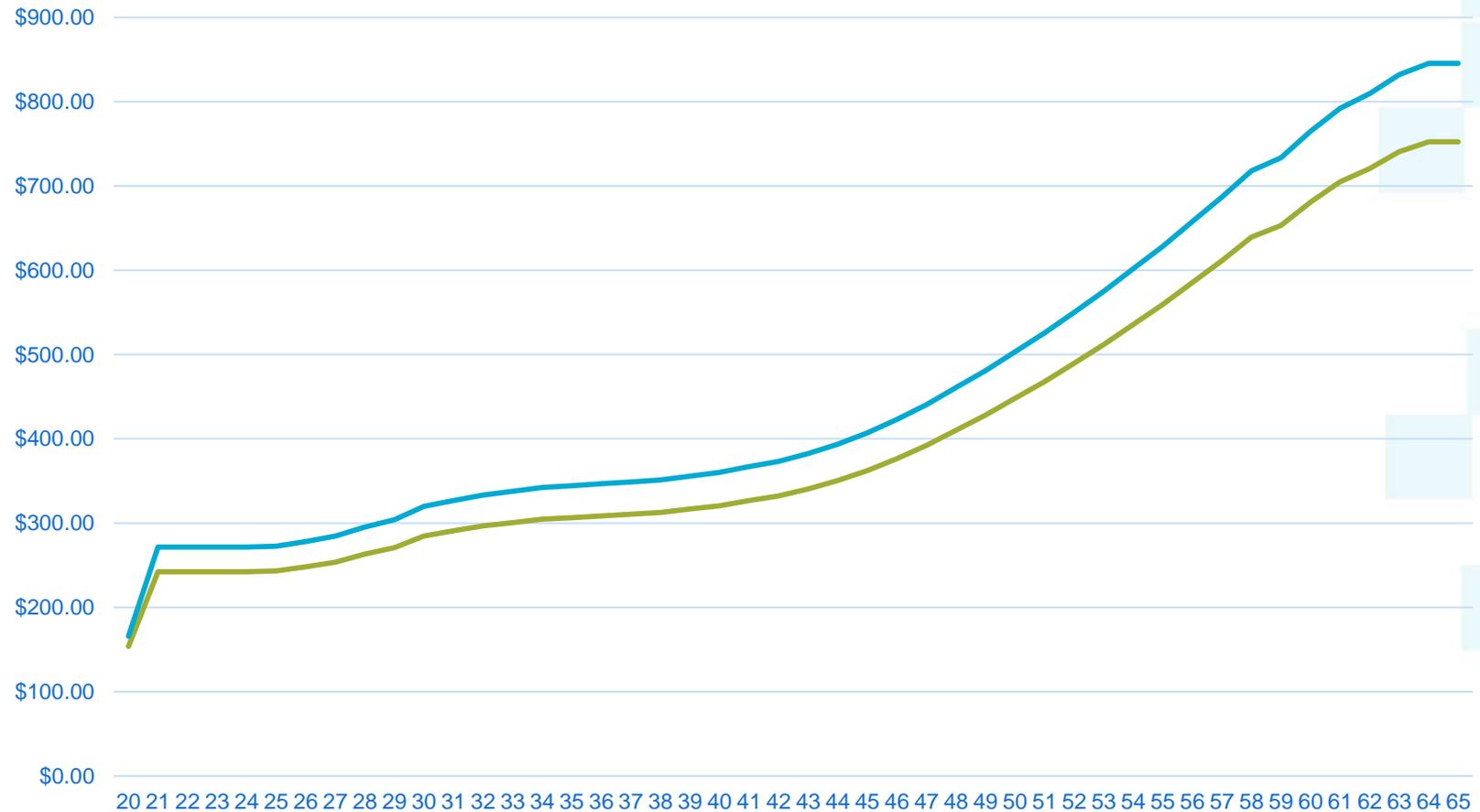
These are the average premiums, which means that they are the average amount individuals would pay monthly if they are not eligible for Advanced Premium Tax Credits. Many Arkansans will be eligible for tax credits; an individual making up to \$45,960 per year may be eligible.

STATE AVERAGE INDIVIDUAL MEDICAL RATE SCENARIOS WITHOUT COST SHARING REDUCTIONS

Scenario	Monthly Premium Rate (\$)	Monthly Premium Rate for Tobacco Users (\$)
Individual Age 0-20	153.80	165.60
Individual Age 30	284.74	319.88
Individual Age 40	320.61	360.18
Individual Age 50	448.06	503.35
Individual Age 60	680.87	764.88
2 Adults (Age 40) + 2 Kids	948.82	1,051.56

Age Rating Curves

PREMIUM AGE RATING CURVE BASED ON AVERAGE PREMIUMS IN INDIVIDUAL MARKET



Premium Rates – Individual Market

Average Silver Premiums by Issuer

These are the average silver premiums for each issuer with non-tobacco and tobacco rates. Arkansas BlueCross BlueShield and BlueCross BlueShield Multi-state plan (OPM) do not charge a tobacco premium Celtic Insurance Company QCA Health Plan charge a tobacco premium of approximately 20%.

STATE AVERAGE INDIVIDUAL MEDICAL RATE SCENARIOS WITHOUT COST SHARING REDUCTIONS

Issuer	Average Premium Rate (\$)	Average Premium Rate for Tobacco Users (\$)
AR BCBS	\$368.77	\$368.77
BCBS Multi-State	\$383.21	\$383.21
Celtic	\$480.30	\$576.35
QCA	\$435.74	\$522.16

Premium Rates – Individual Market

Minimum, Median, and Maximum Silver Premiums by Issuer

These are the average silver premiums for each issuer with non-tobacco and tobacco rates. Arkansas BlueCross BlueShield and BlueCross BlueShield Multi-state plan (OPM) do not charge a tobacco premium Celtic Insurance Company QCA Health Plan charge a tobacco premium of approximately 20%.

STATE AVERAGE INDIVIDUAL MEDICAL RATE SCENARIOS WITHOUT COST SHARING REDUCTIONS

Issuer	Minimum Premium Rate(\$)	Median Premium Rate(\$)	Maximum Premium Rate(\$)
AR BCBS	130.58	368.07	718.74
BCBS Multi-State	138.60	361.64	731.61
Celtic	162.97	399.51	1,225.69
QCA	144.06	391.27	1,021.41

Premium Rates – Individual Market

Definitions:

The following terms are used in the tables on the next two pages:

- **Percent of FPL:** This is a measure of income based on percentages at and above the Federal Poverty Limit. (i.e. 200% FPL means an income of 2x the federal poverty limit, which is \$11,480 per year for individuals and varies for families based on family size).
- **Annual Income:** The amount of individual or household income per year.
- **Premium Limit (%):** The total percent of annual income an individual or family is expected to pay for healthcare premiums. It increases as income increases.
- **Maximum Annual Premium (\$):** The total dollar amount that an individual or family is expected to pay annually in premiums, based on income.
- **Monthly Subsidy (\$):** The total amount that will be paid by the federal government per month towards the payment of premiums.
- **Average Base Premium (\$):** The average price of the second lowest silver plan. (An average is shown because rates for the second lowest silver plan vary by location.)
- **Adjusted Monthly Premium (\$):** The total amount that the consumer is expected to pay per month, after tax subsidies have been applied.

Advanced Premium Tax Credits

Advanced Premium Tax Credits Applied– Individual Market

The table below shows examples of premium rates after tax credits for an individual age 30. See previous page for definitions of terms used in table.

ESTIMATED PREMIUM RATES WITH APTC APPLIED FOR AN INDIVIDUAL NON-SMOKER AGE 30

Percent of FPL	Annual Income (\$)	Premium Limit (%)	Maximum Annual Premium (\$)	Monthly Subsidy (\$)	Average Base Premium (\$)	Adjusted Monthly Premium (\$)
0 - 138%	Eligible for Private Option (No Premium)					
139%	15,971.10	3.00%	479.13	219.42	259.35	39.93
150%	17,235.00	4.00%	689.40	201.90	259.35	57.45
200%	22,980.00	6.30%	1447.74	138.71	259.35	120.65
250%	28,725.00	8.05%	2312.36	66.65	259.35	192.70
300%	34,470.00	9.50%	3274.65	0.00*	259.35	259.35
<400%	45,960.00	9.50%	4366.20	0.00*	259.35	259.35

Individuals with income of 400% FPL or more are not eligible for subsidies.

*Note that individuals in this income group ARE eligible for subsidies, the \$0 amount shown here is result of the average base premium price being lower than the individual’s expected contribution. This scenario is less likely for older individuals.

Premium Rates – Individual Market

Advanced Premium Tax Credits Applied– Family of Four

The table below shows examples of premium rates after tax credits for a family of four. See page 4 for definitions of terms used in table.

ESTIMATED PREMIUM RATES WITH APTC APPLIED FOR FAMILY OF FOUR – ADULTS AGE 40

Percent of FPL	Annual Income (\$)	Premium Limit (%)	Maximum Annual Premium (\$)	Monthly Subsidy (\$)	Average Base Premium (\$)	Adjusted Monthly Premium (\$)
100-138%	Eligible for Private Option (No Premium)					
139%	32,734.50	3.00%	982.04	792.40	874.24	81.84
150%	35,325.00	4.00%	1,413.00	756.49	874.24	117.75
200%	47,100.00	6.30%	2,967.30	626.97	874.24	247.28
250%	58,875.00	8.05%	4,739.44	479.29	874.24	394.95
300%	70,650.00	9.50%	6,711.75	314.93	874.24	559.31
<400%	94,200.00	9.50%	8,949.00	128.49	874.24	745.75

Families with income of 400% FPL or more are not eligible for subsidies.



Example

Premium Tax Credits for a Family of Four

A family with Arkansas median household income of around \$40,000 per year would be expected to contribute 4% of annual income towards premiums, or about \$133 per month.

On average, the second-lowest silver premium for a family of four is about \$875, so the monthly premium would be subsidized by about \$742 per month.



Premium Rates – Stand Alone Dental Plans

Premium Rating Scenarios per Actuarial Level

Most stand alone dental rates are not “guaranteed”, meaning that they can be adjusted based on premium rating factors at the time of enrollment. The following table displays the “estimated” average rates at the “High” and “Low” actuarial value.

ESTIMATED AVERAGE RATES FOR “HIGH” AND “LOW” VALUE SADPs

	Average Rates for “High” Plan	Average Rates for “Low” Plan
Child (0-20)	25.91	22.27
Adult (age 40)	29.22	27.63
2 adults + 2 kids	110.26	99.80
Adult (age 64)	29.76	31.37

Premium Rates and Plan Cost Sharing

The tables below give examples of the ranges in deductibles, MOOP, and premiums of QHPs. For example, a bronze plan could have a deductible as low as \$2,500 or as high as \$6,300. The premium typically decreases as the deductible increases. The premium rates shown are averaged over all ages.

Catastrophic Plans

TYPICAL CATASTROPHIC RATE AND PLAN COST SHARING

Individual Deductible	Individual MOOP	Average Monthly Premium
\$6,350.00	\$6,350.00	\$269.02

Bronze Plans

EXAMPLE BRONZE RATE AND PLAN COST SHARING (PLANS WITH LOWEST AND HIGHEST DEDUCTIBLE AVAILABLE)



Individual Deductible	Individual MOOP	Average Monthly Premium
\$2,500.00	\$6,350.00	\$288.09
\$6,300.00	\$6,300.00	\$284.50

Premium Rates and Plan Cost Sharing

Silver Plans

EXAMPLE SILVER RATE AND PLAN COST SHARING (PLANS WITH LOWEST AND HIGHEST DEDUCTIBLE AVAILABLE)



Individual Deductible	Individual MOOP	Average Monthly Premium
\$150.00	\$6,350.00	\$373.78
\$4,000.00	\$6,350.00	\$452.03

Gold Plans

EXAMPLE GOLD RATE AND PLAN COST SHARING (PLANS WITH LOWEST AND HIGHEST DEDUCTIBLE AVAILABLE)



Individual Deductible	Individual MOOP	Average Monthly Premium
\$500.00	\$3,500.00	\$402.34
\$2,500.00	\$6,350.00	\$552.75

Reduced Cost Sharing

- **Silver Plan Variations**
 - In addition to premium subsidies, eligible individuals (up to 250% FPL or below) and families may receive cost-sharing reductions, which means that they will have lower copays and will have a reduced maximum –out-of-pocket limitation. For individuals, this is approximately \$28,700 per year and approximately \$58,000 for families.
 - This benefit is limited to silver plans only. If a gold or bronze plan is chosen, the eligible consumer will not receive cost-sharing reductions but may still receive an advanced premium tax credit.
 - Cost-sharing reductions are only available in the individual market.



Example

Reduced Out of Pocket Maximum for a Family of Four

- A family that does not qualify for reduced cost sharing (i.e. has an income over 250% FPL) could enroll in a silver plan with a **\$6,350** maximum out-of-pocket limit.
- However, If the family instead had a household income of around \$40,000, they would qualify for a reduced cost-sharing plan. The maximum out-of-pocket would be reduced to **\$2,250**.
- Copays would also be reduced. For example, a \$40 copay for a primary care visit would cost \$10.



Cost Sharing Reduction Examples

Copays for Common Services

The table below lists sample in-network copay amounts for several common services and the associated cost-sharing reductions (copays vary among plans). Preventive care is covered without cost sharing in all plans.

EXAMPLE COVERED BENEFITS AND COST SHARING REDUCTION SCENARIOS

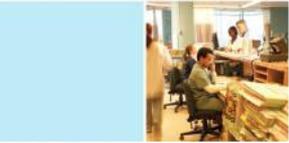
Income	Actuarial Value	Primary Care	Specialist Visit	Generic Drugs	Preventive Services	Mental Health Outpatient
Over 250% FPL	Standard Silver (70%)	\$40	\$75	\$20	\$0	\$40
200-250% FPL	73% A/V	\$25	\$30	\$15	\$0	\$25
100-200% FPL	87% A/V	\$10	\$20	\$10	\$0	\$10
100-150% FPL	94% A/V	\$8	\$10	\$4	\$0	\$4
<138% FPL	Zero Cost	\$0	\$0	\$0	\$0	\$0

Private Option QHPs

- **Service Areas and Availability**
 - All silver plans participating in the Marketplace will be available to Private Option participants. There are two variations submitted with each silver plan that will be used to facilitate enrollment and plan cost-sharing, the “Zero Cost Sharing Variation” and the “High-Silver Cost Sharing Variation”
- **High- Silver Plan Variation (94% Actuarial Value)**
 - The high-silver 94% actuarial value plan variation will be used to cover individuals between 100% and 138% FPL. There are some required copays and cost sharing that participants will pay.
- **Zero Cost Sharing Plan Variation**
 - The zero cost sharing plan variation covers individuals up to 100% FPL, there are no copays or other cost sharing.



Topics



Overview of QHPs in the Individual Market

- QHP Issuers
- Plan Summary
- Service Area Coverage
- Premium Rates and Cost-Sharing

QHP Issuers

- Qualified Health Plans (QHPs) to be offered in plan year 2014 were certified on the Federally-Facilitated Marketplace (FFM) in mid-September, 2013.
- Certified plans for the Small Business Health Options Program (SHOP) market were submitted by one medical issuer and four stand alone dental issuers.
- Arkansas BlueCross BlueShield is the only medical issuer participating in the SHOP Marketplace.
- The four stand-alone dental plan issuers include:
 - Arkansas BlueCross BlueShield
 - BEST Life and Health Insurance Company
 - Dentegra Insurance Company
 - The Guardian Life Insurance Company of America

Plan Summary

- There are 3 medical QHPs participating in the AR Marketplace in the SHOP Market.
- There is one medical plan offered at each metal level: one bronze, one silver, and one gold.
 - Bronze = 60% of qualifying health expenses are covered by the plan
 - Silver = 70% of qualifying health expenses are covered by the plan
 - Gold = 80% of qualifying health expenses are covered by the plan
 - Platinum = 90% of qualifying health expenses are covered by the plan

Plan Summary

- There are 19 stand alone dental QHPs (SADPs) participating in the AR Marketplace in the SHOP.
- A breakdown of the actuarial values of medical individual plans is shown in the chart below.
 - Low = 70% of qualifying health expenses are covered by the plan
 - High = 85% of qualifying health expenses are covered by the plan

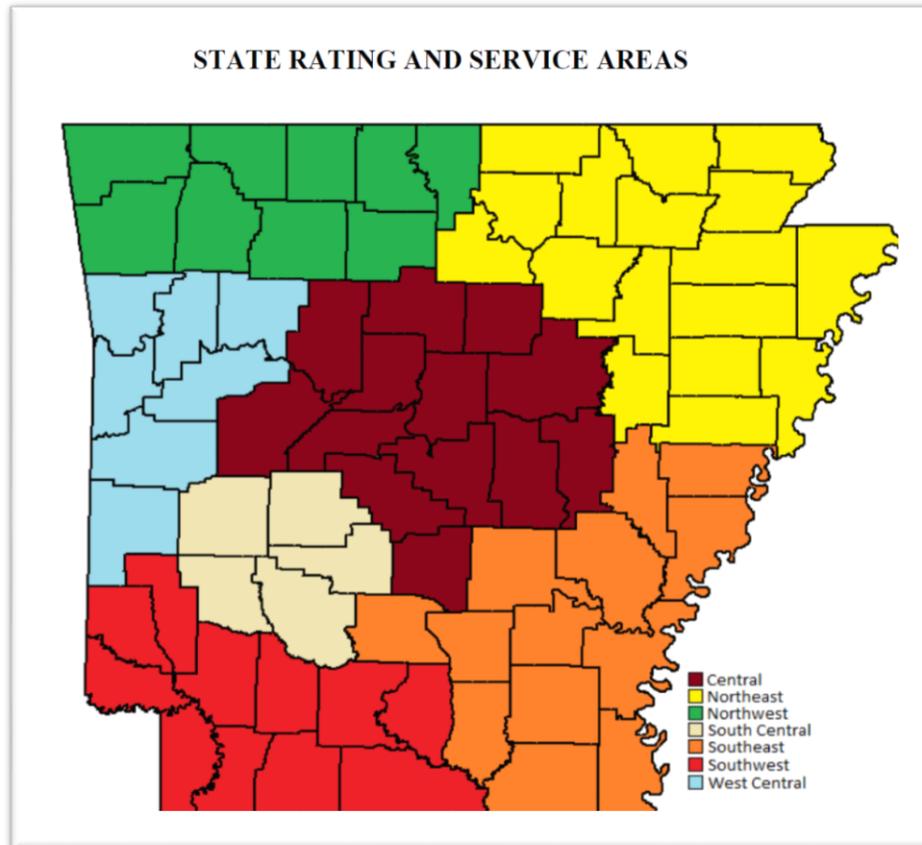
NUMBER OF SADPs PER ACTUARIAL LEVEL

Actuarial Level	Number of Plans
Low	11
High	8
Total	19

Of the 19 plans, 5 are child-only plans and 14 are both adult and child plans.

Service Area Coverage

- Per AID Bulletin 3B-2013, QHPs are required to cover all counties in any geographic region included in its service area.



Service Area Coverage

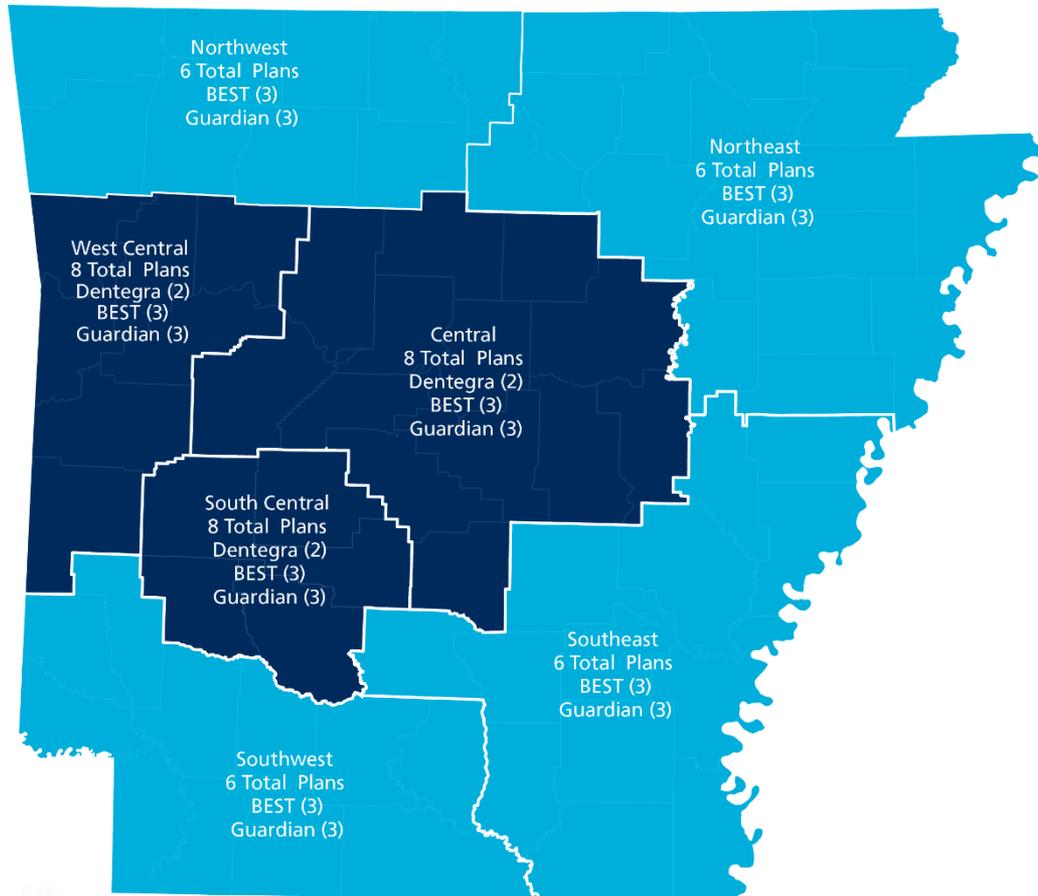
- Some plans offer statewide coverage areas, while others cover only one complete region.
- There is one medical issuer in each service area and between three and four stand alone dental plan issuers per service area.

NUMBER OF ISSUERS PER SERVICE AREA

		1	2	3	4	5	6	7
		Central	Northeast	Northwest	South Central	Southeast	Southwest	West Central
SHOP Issuers	Medical	1	1	1	1	1	1	1
	SADP	4	3	3	4	3	3	4

Service Area Coverage

TOTAL NUMBER OF "HIGH" LEVEL SADPs PER SERVICE AREA

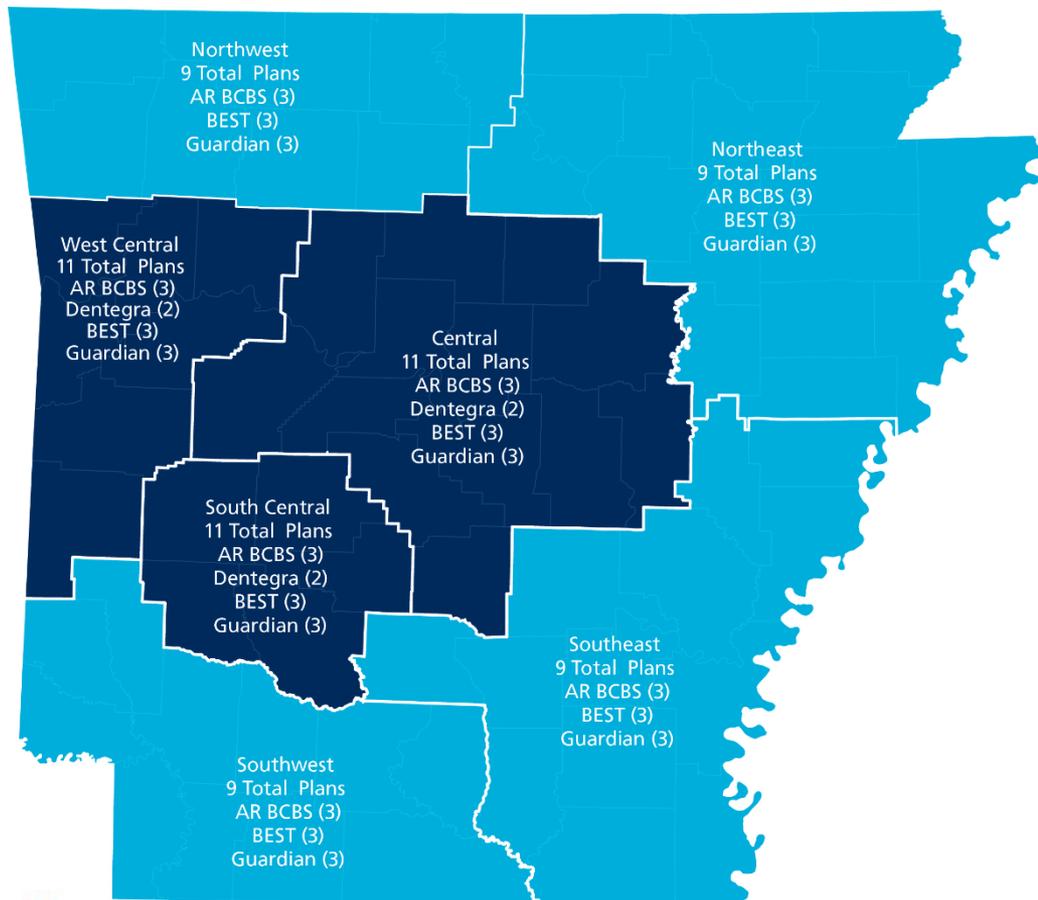


The central, west central, and south central regions have the most plans (8) and the remaining service areas have 6.

Dentegra plans are available in the west central, central, and south central regions; Guardian and BEST plans are available statewide.

Service Area Coverage

TOTAL NUMBER OF “LOW” LEVEL SADPs PER SERVICE AREA



The central, west central, and south central regions have the most plans (11) and the remaining service areas have 9.

AR BCBS dental plans are available at the “Low” actuarial value level only. Dentegra plans are available in the west central, central, and south central regions; The remaining plans are available statewide.

Premium Rates and Plan Cost Sharing

- **Premium Rates**
 - Among other things, premium rates are affected by the removal of annual and lifetime limitations, coverage of all ten essential health benefits and benchmark benefits, and restrictions on premium rating factors to only include age, rating area, tobacco use, and family composition.
 - Note that SADP rates are exempt from premium rating requirements, so dental premiums may still be individually underwritten.

Premium Rates and Plan Cost Sharing

- Average Premium Rates Statewide - SHOP**

The table below lists average premiums, including all metal levels and catastrophic plans (note that rates for individuals age 30 and above were not included for catastrophic plans as these are not typically allowed to be purchased).

STATE AVERAGE SHOP MEDICAL PREMIUM RATE SCENARIOS

Scenario	Individual Rate	Tobacco Rate
Child	\$150.77	\$150.77
Adult (Age 30)	\$269.48	\$269.48
Adult (Age 40)	\$303.44	\$303.44
Adult (Age 64)	\$712.29	\$712.29
2 Adults + 2 Kids	\$908.41	\$908.41

Premium Rates and Plan Cost Sharing

Premium Rating Scenarios per Rating Area

The table below shows the average premium for an adult (age 40), 2 adults + 2 kids, a child (age 0-20), and an adult age 64.

AVERAGE PREMIUM RATING SCENARIOS BY SERVICE AREA TABLE

	Central	Northeast	Northwest	South Central	Southeast	Southwest	West Central
Adult (age 40)	\$318.22	\$295.30	\$298.80	\$293.39	\$315.35	\$318.22	\$284.80
2 adults + Kids	\$952.65	\$884.04	\$894.52	\$878.34	\$944.07	\$952.65	\$852.61
Child (age 0-20)	\$158.11	\$146.72	\$148.46	\$145.78	\$156.69	\$158.11	\$141.51
Adult (age 64)	\$746.98	\$693.18	\$701.40	\$688.71	\$740.25	\$746.98	\$668.54

Premium Rates and Plan Cost Sharing

SHOP Medical Plans

SHOP MEDICAL QHPs (BRONZE, SILVER, AND GOLD)

Company	Metal Level	Deductible	Deductible	MOOP	Average Premium	Service Area(s)
AR BCBS	Gold	\$1,500	\$3,000	\$3,000	\$442.87	All
AR BCBS	Silver	\$2,000	\$4,000	\$6,350	\$386.75	All
AR BCBS	Bronze	\$3,000	\$6,000	\$6,350	\$343.94	All

Premium Rates – Stand Alone Dental Plans

Premium Rating Scenarios per Actuarial Level

Most stand alone dental rates are not “guaranteed”, meaning that they can be adjusted based on premium rating factors at the time of enrollment. The following table displays the “estimated” average rates at the “High” and “Low” actuarial value in the SHOP market.

ESTIMATED AVERAGE RATES FOR “HIGH” AND “LOW” VALUE SADPs IN SHOP

	Average Rates for “High” Plan	Average Rates for “Low” Plan
Child (0-20)	\$26.87	\$21.24
Adult (age 40)	\$34.81	\$33.02
2 adults + 2 kids	\$123.36	\$108.53
Adult (age 64)	\$34.81	\$33.02



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