

2014 Arkansas Qualified Health Plans

Qualified Health Plan Premium Rates Overview September 23, 2013



Arkansas
HEALTH 
CONNECTOR
Your Guide to Health Insurance

 Health Insurance Marketplace

Premium Rates

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 only 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 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.
- The premium rates listed below are for the Individual and Small Group markets. Employers with over 50 employees are not eligible to participate in the Marketplace for the current plan year.

Premium Rates – Individual Market

Average Premium Rates Statewide – Individual Market

These are the average base 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 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

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 base price of the premium that must be paid to the insurance company each month, before subsidies. An average is shown because premiums can vary by location.
- **Adjusted Monthly Premium (\$):** The total amount that the consumer is expected to pay per month, after tax subsidies have been applied.

Premium Rates – Individual Market

Advanced Premium Tax Credits Applied– Individual Age 30

The table below shows examples of premium rates after tax credits for an individual age 30. See page 4 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 (\$)
100%	11,490.00	2.00%	229.80	265.59	284.74	19.15
133%	15,281.70	3.00%	458.45	246.54	284.74	38.20
150%	17,235.00	4.00%	689.40	227.29	284.74	57.45
200%	22,980.00	6.30%	1447.74	164.10	284.74	120.65
250%	28,725.00	8.05%	2312.36	92.04	284.74	192.70
300%	34,470.00	9.50%	3274.65	11.85	284.74	272.89
<400%	45,960.00	9.50%	4366.20	0.00	284.74	284.74

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

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%	23,550.00	2.00%	471.00	909.57	948.82	39.25
133%	31,321.50	3.00%	939.65	870.52	948.82	78.30
150%	35,325.00	4.00%	1,413.00	831.07	948.82	117.75
200%	47,100.00	6.30%	2,967.30	701.55	948.82	247.28
250%	58,875.00	8.05%	4,739.44	553.87	948.82	394.95
300%	70,650.00	9.50%	6,711.75	389.51	948.82	559.31
<400%	94,200.00	9.50%	8,949.00	203.07	948.82	745.75

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

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 base premium for various locations in the state. See the map on the next page to identify which counties are covered by each of these areas.

BASE 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

Premium Rates – SHOP (Small Group)

Average Premium Rates Statewide – Small Group Market

These Monthly Premium Rates below represent the average base premiums, which means that they are the average amount individuals would pay monthly. In some cases, employers will contribute towards payment of the premiums. Note that none of the SHOP plans have a higher premium for tobacco users. SHOP premium rates may be updated by issuers on a quarterly basis.

STATE AVERAGE SHOP MEDICAL RATE SCENARIOS

Scenario	Monthly Premium Rate (\$)
Individual Age 0-20	148.01
Individual Age 30	264.54
Individual Age 40	297.87
Individual Age 50	416.28
Individual Age 60	632.58
2 Adults (Age 40) + 2 Kids	891.76

Premium Rates – SHOP (Small Group)

Premium Rating Scenarios per Rating Area

Premiums can vary depending on where the employer is located in the state. The table below shows the average base premium for the seven rating areas in the state.

BASE PREMIUM RATING SCENARIOS BY SERVICE AREA TABLE

	Central	Northeast	Northwest	South Central	Southeast	Southwest	West Central
Adult (Age 40)	312.38	289.89	293.32	288.01	309.57	312.38	279.58
2 Adults + 2 Kids	935.17	867.85	878.13	862.23	926.77	935.17	836.99
Child (0-20)	155.21	144.04	145.74	143.10	153.82	155.21	138.92
Adult (Age 64)	733.28	680.49	688.54	676.09	726.68	733.28	\$656.29



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