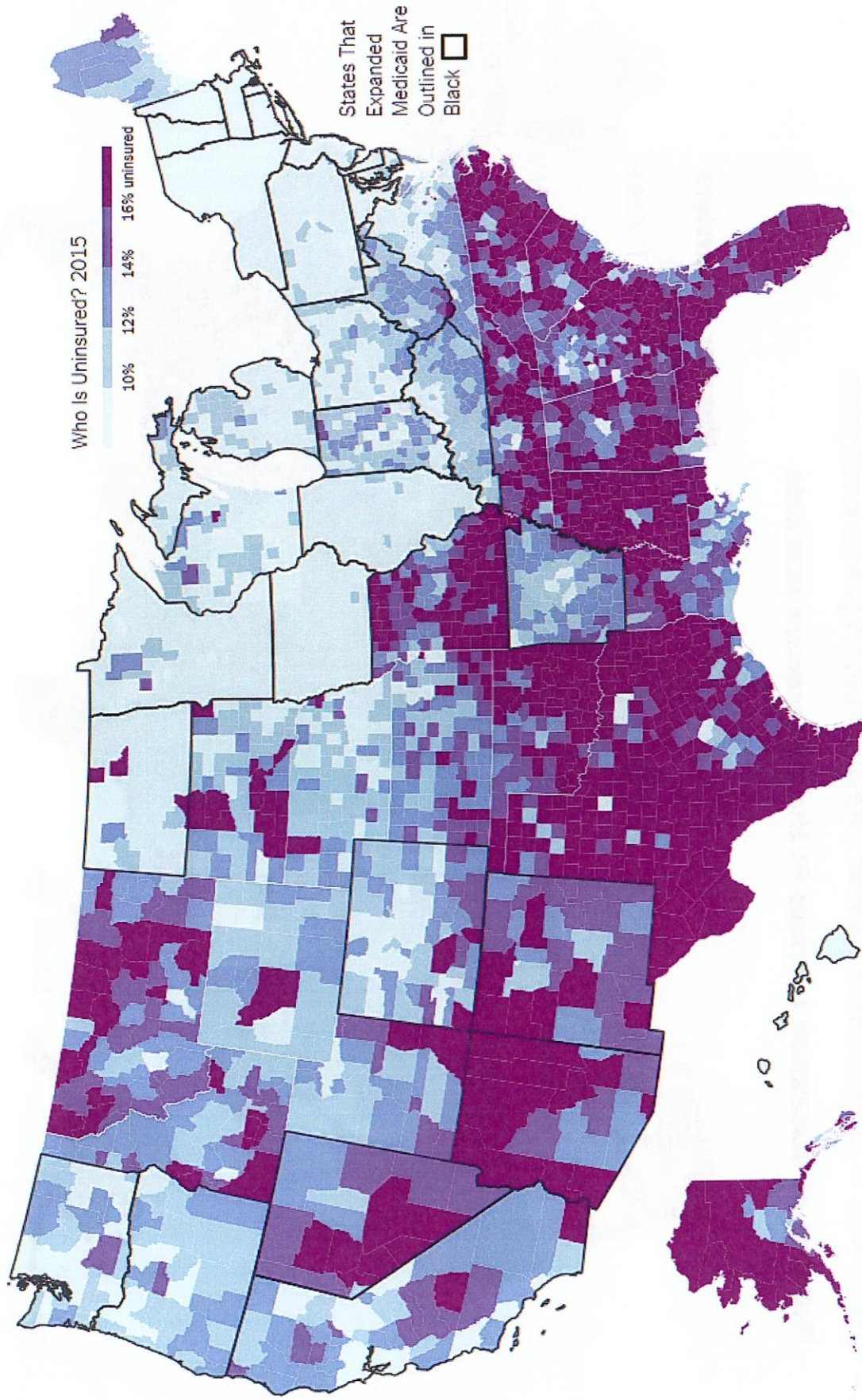


Percentage Uninsured, by County 2015

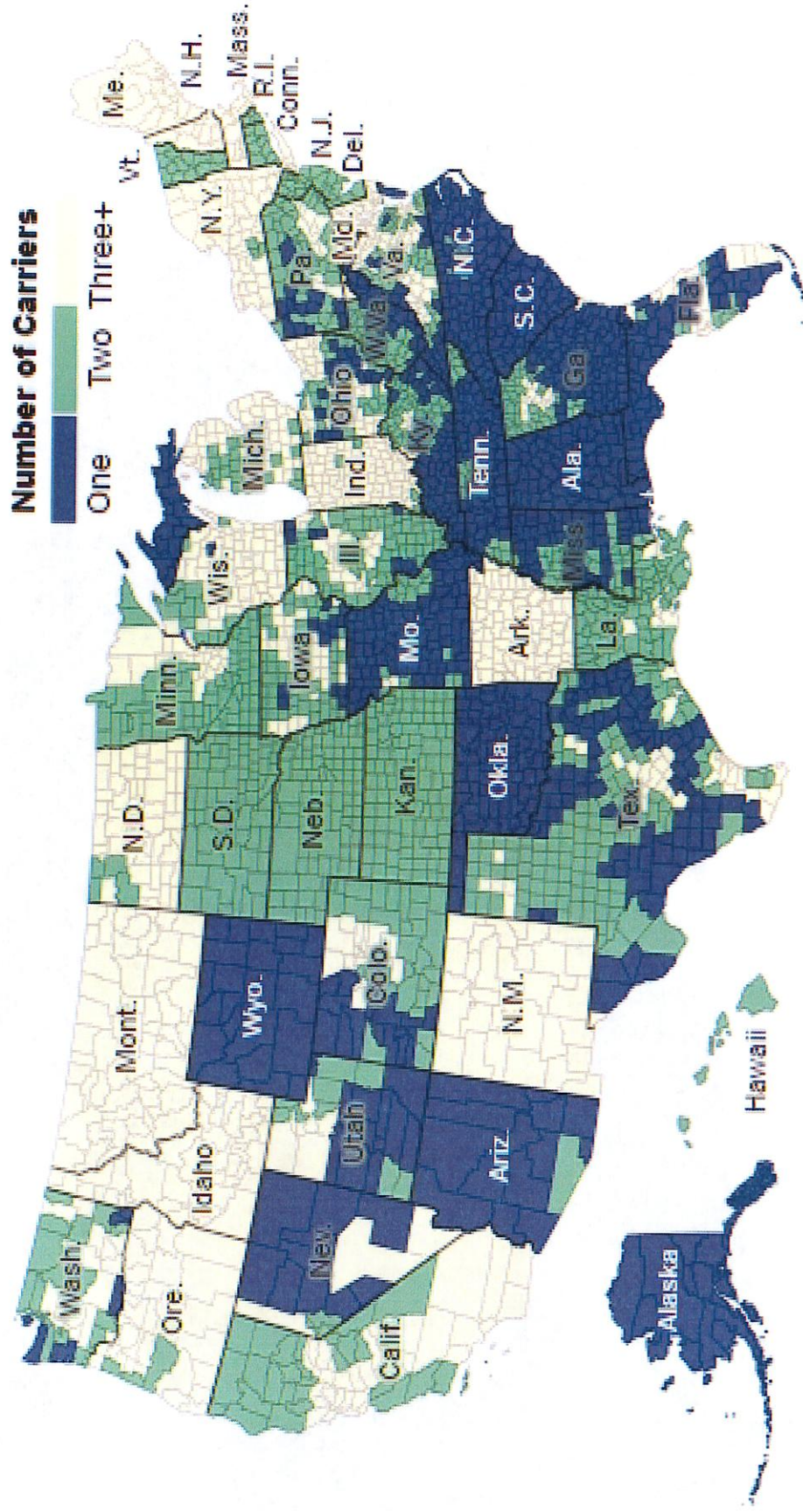


Source: The New York Times, October 30, 2015

Competition Has Fallen

About 18 percent of people eligible for the Obamacare markets will live in counties with only one insurance carrier offering health plans next year.

Number of insurance carriers in the Obamacare markets

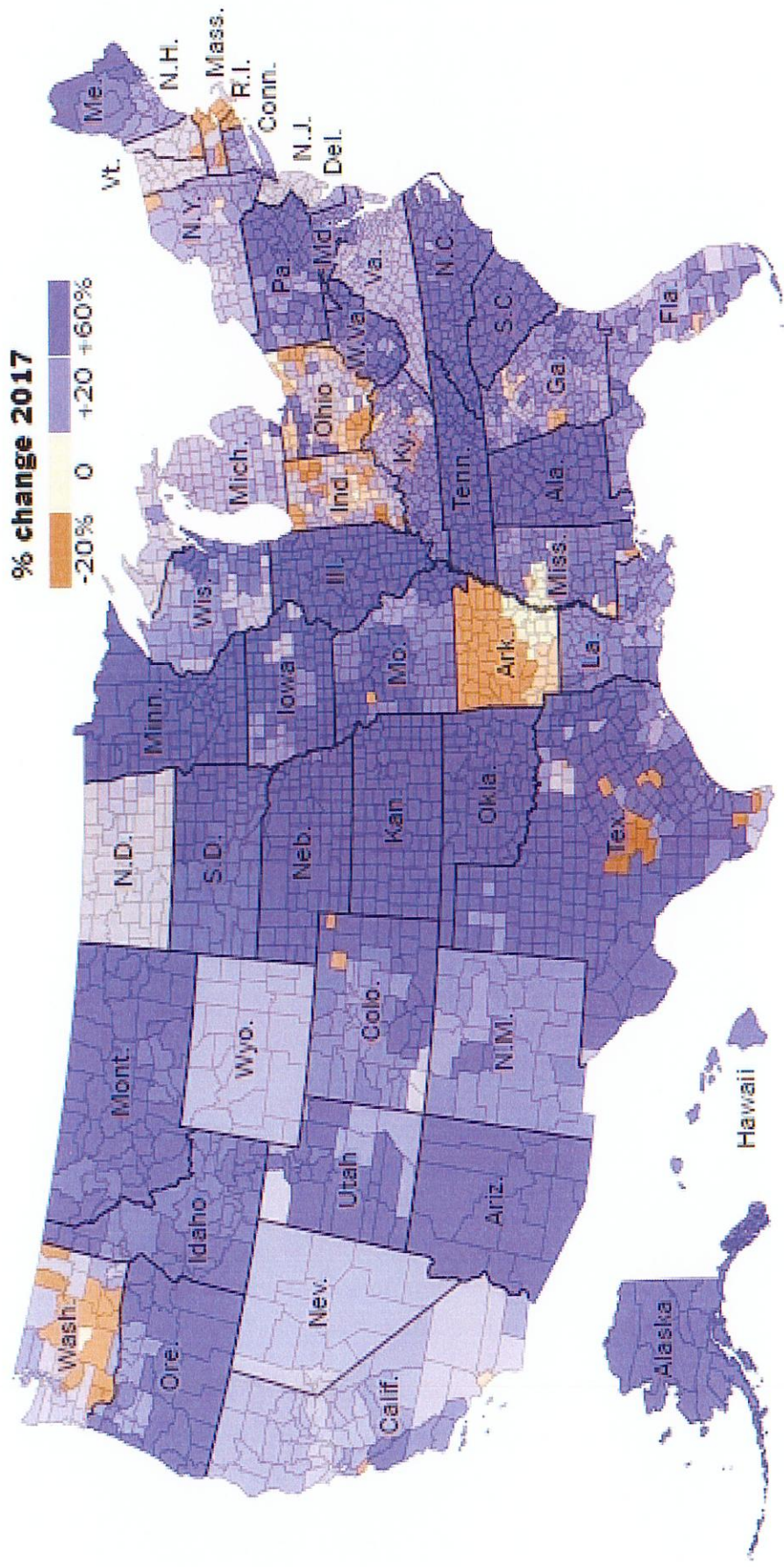


Source: McKinsey Center for U.S. Health System Reform

Obamacare Rates Are Rising

But there's a lot of variation. In some Arizona counties, prices for the most affordable midlevel plan are going up by 191 percent. In parts of Texas, premiums are going down by 30 percent.

2017 premium increase for lowest-cost silver plan



Note: There are two separate markets in Los Angeles County. We have shown rates for the market where more customers are enrolled.

Source: McKinsey Center for U.S. Health System Reform

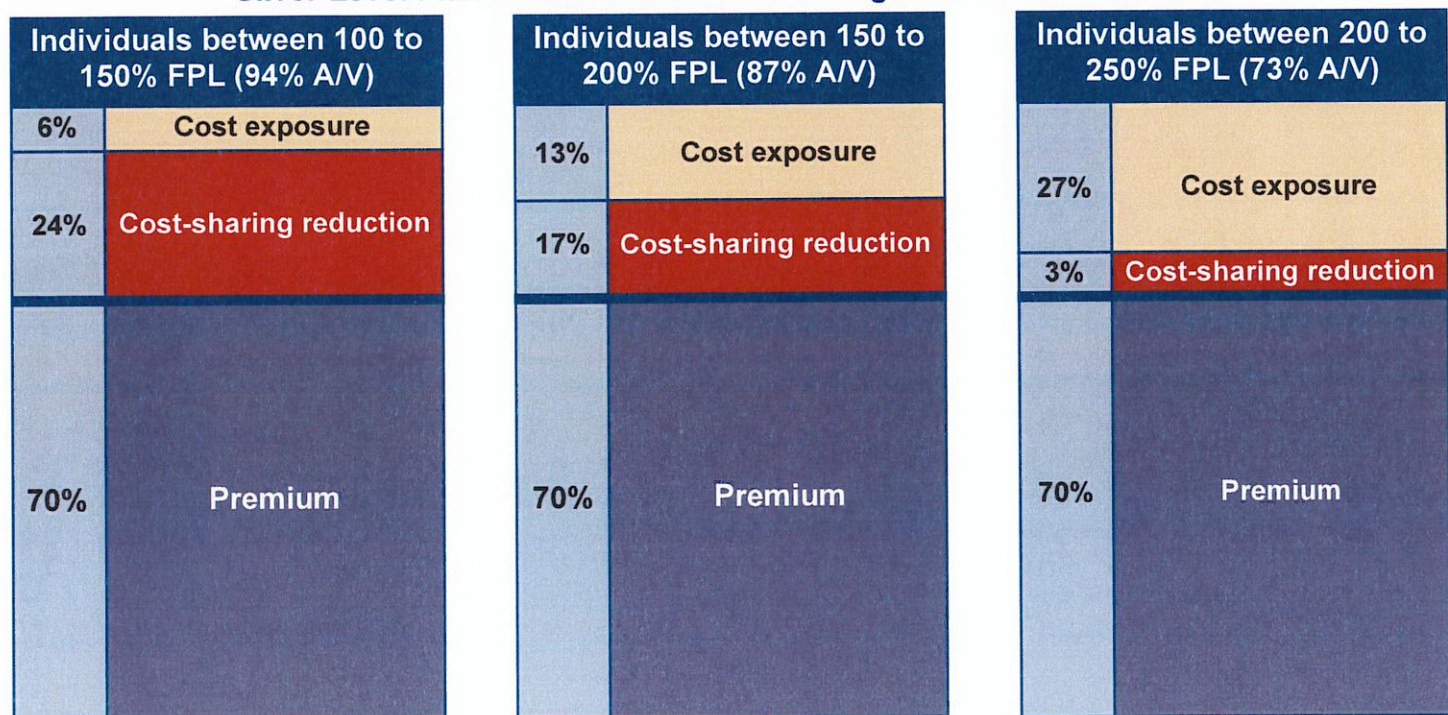
Silver-Level Plan Premium and Cost-Sharing Reduction Breakdown

Fact Sheet

November 2017

In an effort to make access to healthcare insurance more affordable, the Affordable Care Act used two cost reduction methods: tax credits and cost-sharing reductions. Tax credits are available to individuals on a sliding scale from 100 percent of the federal poverty level (FPL) to 400 percent of the FPL and are used to offset the cost of a health insurance premium. In addition to tax credits, cost-sharing reductions (CSRs) are available to individuals on a sliding scale from 100 percent of the FPL to 250 percent of the FPL. CSRs limit exposure to deductibles, co-payments, and coinsurance when individuals access services covered by the health insurance plan. CSRs are available only if an individual selects a silver plan (70-percent actuarial value, or A/V) through the Health Insurance Marketplace. The graphics below illustrate the level of CSR protection for individuals with incomes between 100 and 250 percent of the FPL. Despite the president's recent decision to halt reimbursement to insurers for offering CSRs, these protections for consumers are still available because insurers are required to provide them. Insurers, including those in Arkansas, have responded with increased premiums for 2018 to offset the cost.

Silver-Level Plan Premium and Cost-Sharing Reduction Breakdown



Audit Processes:

Subject to reconciliation

Subject to medical-loss ratio

Source: "Patient Protection and Affordable Care Act; HHS Notice of Benefit of Payment Parameters for 2018; Amendments to Special Enrollment Periods and the Consumer Operated and Oriented Plan Program," Federal Register 81, no. 246 (December 22, 2016): 94058.

Definitions

- Actuarial value (A/V):** the share of healthcare expenses covered by a health insurance plan for a typical group of enrollees
Example: For a silver-level plan that has an A/V of 70 percent, the health insurance plan covers 70 percent of expected healthcare expenses and the remaining 30 percent is covered by the enrollee through deductibles, copays, and coinsurance.
- Cost exposure:** deductibles, copayments, and coinsurance
- Cost-sharing reduction (CSR):** payments to insurers to reduce out-of-pocket costs for beneficiaries
- Medical-loss ratio (MLR):** requires carriers to give insurance purchasers a rebate if less than 80 percent of premiums are spent on medical care only and more than 20 percent on administration
- Premium:** amount paid for the insurance plan

