



Arkansas Insurance Department  
Arkansas Health Insurance Marketplace  
PY2020 Overview



# PY2020 Rate Information

As of January 1, 2020



A REPORT TO THE  
ARKANSAS LEGISLATIVE COUNCIL - HEALTH INSURANCE MARKETPLACE LEGISLATIVE OVERSIGHT SUBCOMMITTEE  
JANUARY 6, 2020

Allen Kerr  
Arkansas Insurance Commissioner



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## Plan Year 2020 Observations

- ▶ All companies are offering all plans throughout the state.
- ▶ Premium Rates are uniform across regions for all companies.

## Plan Year 2020 Offerings

	Gold	Silver	Expanded Bronze
Ambetter of Arkansas	2	10	2
Arkansas Blue Cross and Blue Shield	1	4	2
QC Life and Health	1	2	
QualChoice Health Insurance	1	2	1





# Silver Rate Changes in Arkansas (PY2014-2020)

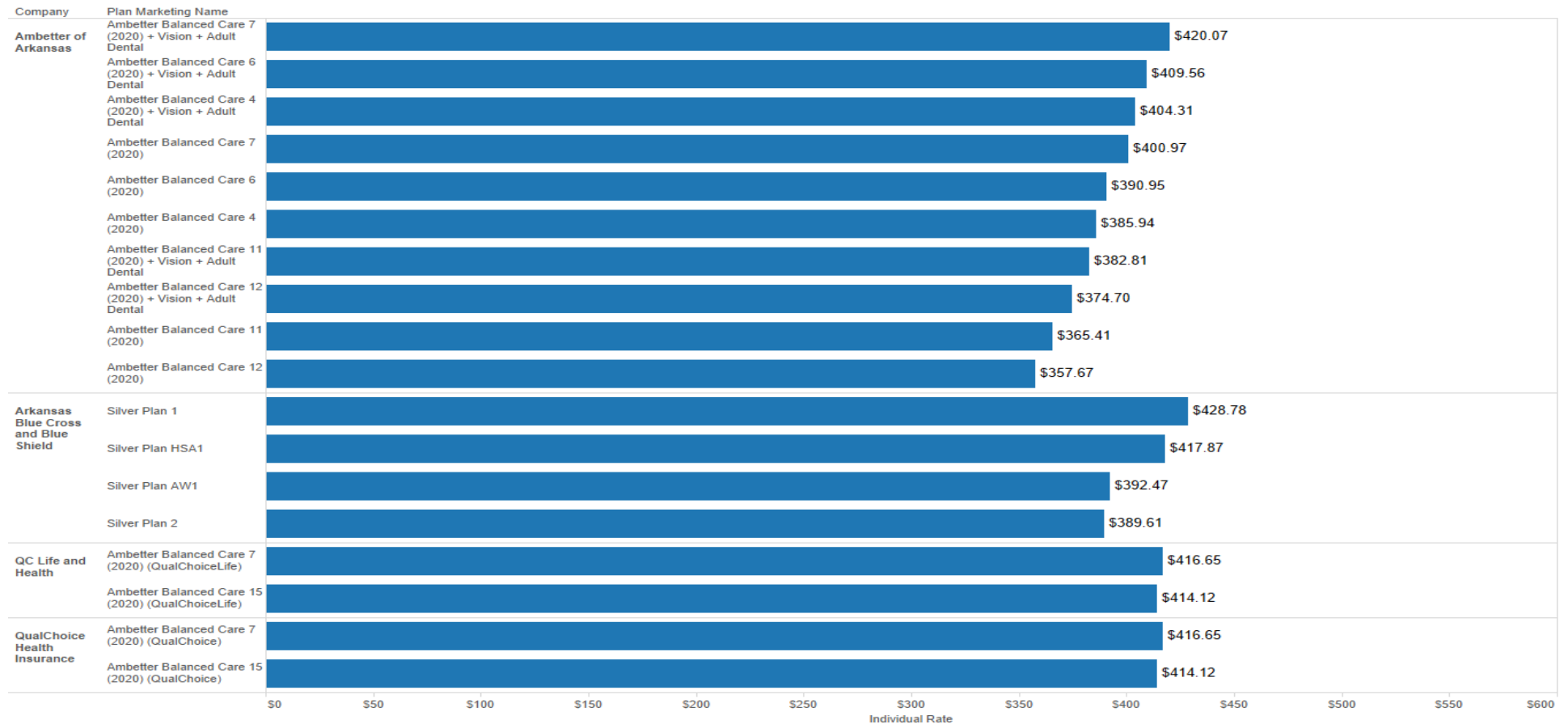
Change in **average** non-Tobacco Silver Rates for 40 year old across plan years





# Plan Year 2020 Silver Premiums

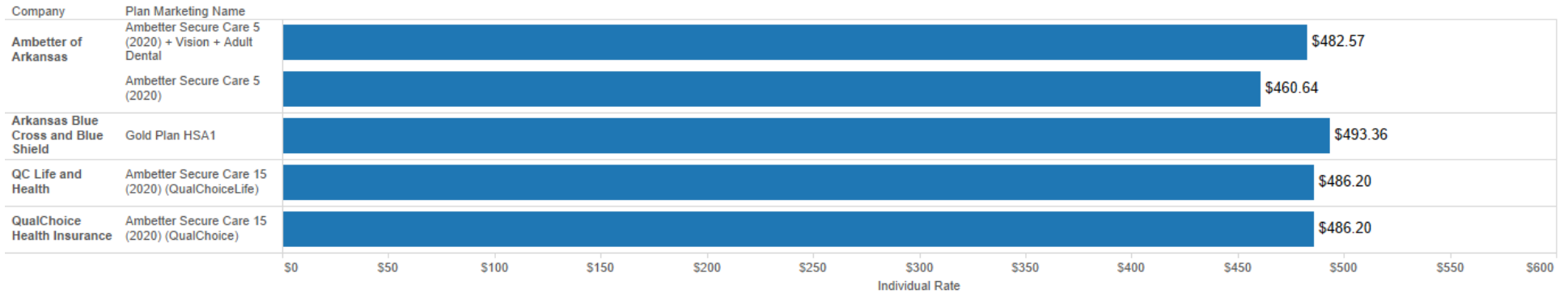
Plan Year **2020 Silver** premiums for **40** year old before subsidies





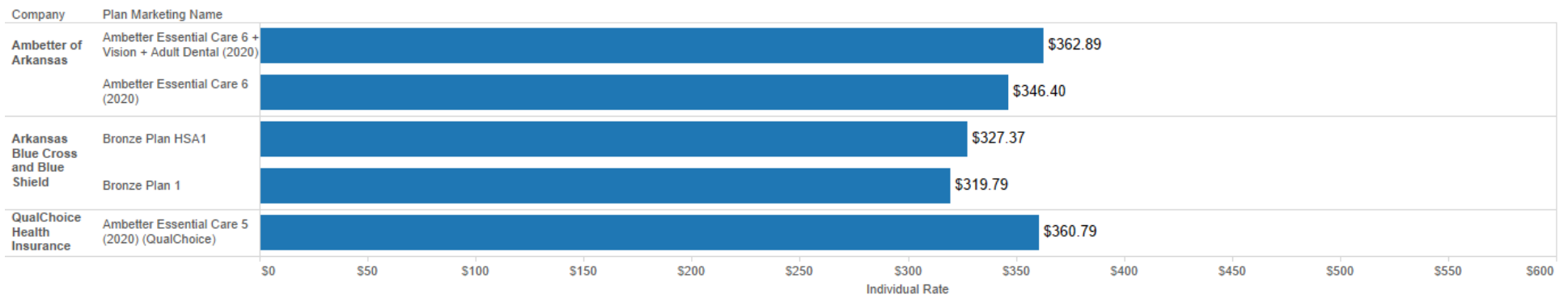
# Plan Year 2020 Gold Premiums

Plan Year **2020 Gold** premiums for **40** year old before subsidies



# Plan Year 2020 Bronze Premiums

Plan Year **2020 Expanded Bronze** premiums for **40** year old before subsidies





# Plan Year 2020 Rate Filing Summary

## Celtic Insurance Company (Ambetter) – Individual Plan

Rate request filing SERFF Tracking #: **CELT-131932180**  
 Product Name: **Ambetter from AR Health & Wellness**

Full filing: <https://www.insurance.arkansas.gov/uploads/pages/py2020-ind-amb-full.pdf>

### Overview

**Requested average rate change: 1.90%**  
 Range of requested rate change: (5.10%) – 6.80%  
 This plan is available in **ALL** areas.

**Approved average rate change: 1.90%**  
 Covered lives affected: 67,959

### Historical Approved Rate Changes

**PY2019:** 4.60%      **PY2018:** 21.40%      **PY2017:** 4.00%      **PY2016:** 0.08%      **PY2015:** (12.00%)

### Financial Information

#### Experience from January-December 2018:

Premiums written: \$440.7 million  
 Claims paid: \$316.6 million

#### Projection for January-December 2020:

Projected premium: \$377.6 million  
 Projected claims: \$285.4 million

### Company Justification for Requested Change

According to the company’s filing, its request is made because:

“Single risk pool experience, unit cost trend, utilization trend, deterioration of morbidity within the single risk pool, and reinstatement of previously suspended taxes. The rate increase requested takes into consideration the decrease in the Federal Exchange User Fee from 3.0% to 2.5% and the elimination of the Arkansas Health Insurance Marketplace (AHIM) Exchange User Fee of 1.25% beginning January 1, 2020. This results in a lower premium increase than anticipated for Arkansans utilizing the Marketplace.”

According to the company’s filing, the rate request will affect the financial experience by:

“Prior to the requested 1.9% rate increase for 2020, the projected MLR is 87.0%. The rate increase reduces the projected MLR to 85.4%.”





# Plan Year 2020 Rate Filing Summary

## USable Mutual Insurance Co. (AR Blue Cross & Blue Shield) – Individual Plan

Rate request filing SERFF Tracking #: ARBB-132012905

Product Name: 2020 Rate Filing Individual On & Off Exchange

Full filing: <https://www.insurance.arkansas.gov/uploads/pages/py2020-ind-arbb-full.pdf>

### Overview

<b>Requested average rate change:</b>	<b>2.89%</b>	<b>Approved average rate change:</b>	<b>2.89%</b>
Range of requested rate change:	(10.73%) – 11.70%	Covered lives affected:	166,139
<u>This plan is available in ALL areas.</u>			

### Historical Approved Rate Changes

**PY2019:** 4.40%      **PY2018:** 14.20%      **PY2017:** 9.70%      **PY2016:** 7.15%      **PY2015:** 2.00%

### Financial Information

#### Experience from January-December 2018:

Premiums written: \$903.9 million  
 Claims paid: \$752.3 million

#### Projection for January-December 2020:

Projected premium: \$943.0 million  
 Projected claims: \$794.8 million

### Company Justification for Requested Change

#### According to the company’s filing, its request is made because:

“This request is primarily based on (1) changes in utilization and cost trends from the 2018 experience period to the 2020 plan year, (2) the Health Insurance Providers Fee being assessed in 2020, (3) benefit adjustments UMIC made for the 2020 plan year, (4) the decrease in the Federal Exchange User Fee from 3% to 2.5% and the elimination of the Arkansas Health Insurance Marketplace Exchange User Fee of 1.25% beginning January 1, 2020. Other adjustments played a minor role in the increase, such as changing demographics, morbidity assumptions, expense trend, etc.”

#### According to the company’s filing, the rate request will affect the financial experience by:

“The 2020 requested rate increase will allow UMIC to provide competitively priced premiums that adequately cover the financial risks associated with this type of product, as well as allowing UMIC to meet the federally mandated Minimum Loss Ratio requirement.”





# Plan Year 2020 Rate Filing Summary

## QCA Health Plan, Inc. – Individual Plan

Rate request filing SERFF Tracking #: **QUAC-132014953**

Product Name: **2020 QCA Individual Metal Rates**

Full filing: <https://www.insurance.arkansas.gov/uploads/pages/py2020-ind-qca-full.pdf>

### Overview

<b>Requested average rate change:</b>	<b>0.56%</b>	<b>Approved average rate change:</b>	<b>0.56%</b>
Range of requested rate change:	(1.48%) – 5.56%	Covered lives affected:	18,935

This plan is available in **ALL** areas.

### Historical Approved Rate Changes

**PY2019:** 1.59%      **PY2018:** 24.47%      **PY2017:** 11.30%      **PY2016:** (8.20%)      **PY2015:** NA

### Financial Information

#### Experience from January-December 2018:

Premiums written: \$97.5 million  
 Claims paid: \$75.2 million

#### Projection for January-December 2020:

Projected premium: \$173.4 million  
 Projected claims: \$128.4 million

### Company Justification for Requested Change

According to the company’s filing, its request is made because:

“Price Inflation - the cost per service is increasing; Utilization Trend - the number of and distribution of services utilized by members is increasing plan sponsor costs; Changes in Taxes and Fees - the rate increase requested takes into consideration the decrease in the Federal Exchange User Fee from 3.0% to 2.5% and the elimination of the Arkansas Health Insurance Marketplace (AHIM) Exchange User Fee of 1.25% beginning January 1, 2020; and Change in Morbidity.”

According to the company’s filing, the rate request will affect the financial experience by:

“Ensuring the overall financial sustainability of the product and QualChoice.”







# Plan Year 2020 Rate Filing Summary

## QualChoice Life and Health Insurance Company, Inc. – Individual Plan

Rate request filing SERFF Tracking #: **QUAC-132014943**

Product Name: **2020 QCLHIC Individual Metal Rates**

Full filing: <https://www.insurance.arkansas.gov/uploads/pages/py2020-ind-qclh-full.pdf>

### Overview

**Requested average rate change: 0.51%**      **Approved average rate change: 0.51%**  
 Range of requested rate change: (1.48%) – 5.56%      Covered lives affected: 18,401  
 This plan is available in **ALL** areas.

### Historical Approved Rate Changes

**PY2019:** 1.06%      **PY2018:** 24.78%      **PY2017:** 11.10%      **PY2016:** (8.20%)      **PY2015:** NA

### Financial Information

#### Experience from January-December 2018:

Premiums written: \$95.4 million  
 Claims paid: \$72.6 million

#### Projection for January-December 2020:

Projected premium: \$173.4 million  
 Projected claims: \$128.4 million

### Company Justification for Requested Change

According to the company’s filing, its request is made because:

“Price Inflation - the cost per service is increasing; Utilization Trend - the number of and distribution of services utilized by members is increasing plan sponsor costs; Changes in Taxes and Fees - the rate increase requested takes into consideration the decrease in the Federal Exchange User Fee from 3.0% to 2.5% and the elimination of the Arkansas Health Insurance Marketplace (AHIM) Exchange User Fee of 1.25% beginning January 1, 2020; and Change in Morbidity.”

According to the company’s filing, the rate request will affect the financial experience by:

“Ensuring the overall financial sustainability of the product and QualChoice.”

