



ARKANSAS INSURANCE DEPARTMENT

A Division of the Arkansas Department of Commerce

Allen Kerr, Commissioner

NEWS RELEASE

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2020 Health Rate Requests Approved

Kerr: Elimination of AHIM User Fee saves policyholders/taxpayers projected \$13M

LITTLE ROCK – Arkansas Insurance Commissioner Allen Kerr today released the following statement announcing the approval by the Arkansas Insurance Department (AID) of Plan Year 2020 rate changes for individual health insurance policies sold on the Arkansas Health Insurance Marketplace (AHIM) and that Arkansas taxpayers and AHIM customers will save a combined projected \$13.14 million due to elimination of a fee charged to companies in previous plan years:

“Thanks to the wisdom of the Governor and General Assembly in transforming state government by placing AHIM under the Arkansas Insurance Department, I am pleased to announce that Arkansas taxpayers and policyholders will save a projected \$13.14 million next year. I am also very proud of the work of AID's Marketplace and Compliance divisions to effectively review these rate requests while establishing a more efficient approval process.”

Act 107 of 2019 disbanded AHIM as a private entity and returned the Marketplace to the Arkansas Insurance Department for this first time since 2015. In previous plan years, AHIM charged a user fee to all individual policies to fund its operating budget. The most recent fee was 1.25% on top of the cost of a policies’ monthly premium. All four insurers participating in the Marketplace in 2020 cited the elimination of the AHIM Exchange User Fee as a factor in their rate request.

The rate requests approved for individual on-marketplace qualified health plans (QHPs) for Plan Year 2020 are:

Company	Average % Change Requested	AVG % Change Approved	Affected Lives
Ambetter	1.90%	1.90%	67,959
AR Blue Cross & Blue Shield	2.89%	2.89%	166,139
QCA Health Plan	0.56%	0.56%	16,013
QualChoice Life & Health	0.51%	0.51%	18,401

The approved rates represent the average increase for plans based upon their filings with the Department and were subject to independent actuarial analysis to determine if the requests were actuarially sound, excessive, inadequate, or unfairly discriminatory. Individual policyholders may see a higher or lower increase of their premiums or, in some cases, a decrease for Plan Year 2020. The average combined increase for marketplace plans based on projected premiums is 2.08%.

Arkansas consumers are encouraged to visit <http://insurance.arkansas.gov/pages/consumer-services/rate-review/health-insurance-rate-changes-for-2020/> to compare plan filings and rate tables.

Open Enrollment for the Marketplace begins on November 1 and runs through December 15. Arkansans with questions about their health insurance policies can learn more by visiting <http://myarinsurance.com>, or by calling (844) 355-3262 toll-free.

About the Arkansas Insurance Department

The Arkansas Insurance Department, a division of the Arkansas Department of Commerce, was created on March 7, 1917, by an Act of the Arkansas General Assembly. For more information on the Arkansas Insurance Department, please visit <http://insurance.arkansas.gov>, follow us on Twitter at <http://twitter.com/ARInsuranceDept> and Facebook at <http://www.facebook.com/ARInsuranceDept>.