

# HEALTH CARE OVERVIEW



## Metal Levels for Qualified Health Plans

Beginning in 2014, the Affordable Care Act (ACA) requires health plans offered through an Exchange, or qualified health plans (QHPs), to meet certain levels of actuarial value. The ACA's required actuarial value levels are referred to as "metal levels"—bronze, silver, gold and platinum.

These metal levels are intended to allow consumers to compare plans with similar levels of coverage in order to help them make informed decisions about their health insurance coverage. Since coverage will be similar for all plans in a metal tier (for example, all silver plans), consumers can focus on other plan factors, such as the premium and network of providers, when selecting a health plan.

QHP issuers must offer at least one plan in the silver level and one plan in the gold level through the Exchanges. Outside of the Exchanges, non-grandfathered plans in the individual and small group markets must offer coverage that matches up to the metal levels.

This ACA Overview provides a summary of the ACA's required actuarial value "metal levels," both inside and outside of the Exchanges.

### LINKS AND RESOURCES

The Department of Health and Human Services (HHS) has provided an Actuarial Value Calculator, available on their [website](#), which issuers of non-grandfathered plans in the individual and small group markets—both inside and outside of the Exchange—must use to determine their metal levels.

## Rating Restrictions

The ACA's required actuarial value levels are called "metal levels," as follows:

- **Bronze:** 60% actuarial value
- **Silver:** 70% actuarial value
- **Gold:** 80% actuarial value
- **Platinum:** 90% actuarial value

## Requirements

- QHP issuers must offer at least one silver level plan and one gold level plan through the Exchanges.
- Outside of the Exchanges, non-grandfathered plans in the individual and small group markets must offer coverage that matches up to the metal levels.

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## Actuarial Value

Actuarial value is calculated as the percentage of total average costs for essential health benefits (EHB) that a plan will cover. EHB are the core items and services that the plan must cover, such as prescription drugs, maternity and newborn care, preventive and wellness services and many additional benefits.

A health plan's actuarial value tells consumers how generous the plan's coverage is based on its cost-sharing provisions (that is, deductibles, copayments and coinsurance). Plans with higher actuarial values provide coverage that is more generous. For example, if a plan has an actuarial value of 70%, on average, a consumer would be responsible for 30% of the costs of covered benefits. If a plan has an actuarial value of 80%, on average, a consumer would be responsible for 20% of the cost of covered benefits.

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## Metal Levels

Each metal level is based on a specified share of the actuarial value of the plan's EHB. Bronze plans have the least generous coverage, while platinum plans have the most generous coverage. Coverage levels are as follows:

BRONZE LEVEL	SILVER LEVEL	GOLD LEVEL	PLATINUM LEVEL
60% actuarial value	70% actuarial value	80% actuarial value	90% actuarial value

HHS allows for small variations (plus or minus 2 percentage points) in the actuarial value used to determine levels of coverage. For example, a silver plan could have an actuarial value between 68% and 72%.