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MISSISSIPPI INSURANCE DEPARTMENT BULLETIN 2017-5

TO: ALL ISSUERS OF HEALTH INSURANCE PRODUCTS IN MISSISSIPPI

FROM: MIKE CHANEY
COMMISSIONER OF INSURANCE

DATE: June 1, 2017

SUBJECT: Federal Default Uniform Age Curve

The Patient Protection and Affordable Care Act (ACA) requires health insurance issuers in the non-grandfathered individual and small group markets to utilize a defined uniform age curve in applying the ACA's age rating rules.

Currently, the Federal default standard age curve incorporates a single age band for individuals age 0 to 20 years of age, with all premium rates being the same within this age band. The 2018 Notice of Benefit and Payment Parameters revised the default Federal uniform age curve to incorporate a single age band for individuals age 0 through 14 and one-year age bands for individuals age 15 through 20 for plan or policy years beginning on or after January 1, 2018.

Pursuant to 45 C.F.R. § 147.102(e) and 147.103, each state may establish its own uniform age rating curve for use in the non-grandfathered individual and small group markets. If a state does not do so, issuers are required to use the new default Federal uniform age curve. Mississippi has utilized the Federal default age curve since 2014.


Mississippi will continue to utilize the old rule and not adapt the new age curve rule.

The new age curve that would take effect in 2018 would have a significantly disruptive effect on premium rates for younger enrollees in the ACA individual and small group markets in Mississippi. The new child age bands could, assuming all other rating factors remain the same, result in significant increases of over 20% for the 0-14 age band in 2018.

Given the significant and disruptive rate increases for younger enrollees likely to result from the use of the new Federal default age curve in Mississippi, the Mississippi Insurance Department (MID) took action to maintain a stable insurance market for Mississippians. MID requested and received approval from the Centers for Medicare and Medicaid Services (CMS), pursuant to 45 C.F.R. §147.102(e) and 147.103, to continue to use the current Federal default uniform age curve in the non-grandfathered individual and small group markets for plan or policy years beginning on or after January 1, 2018.

Please direct any questions to the Life and Health Actuarial Division at 601-359-2012.

Issued the 1st day of June, 2017.


MIKE CHANEY
COMMISSIONER OF INSURANCE