Request for Comment Regarding Actuarial Value and Cost-Sharing Reductions Bulletin

Agency: Joint agency request by the Minnesota Departments of Commerce, Human Services and Health.

Summary: The Patient Protection and Affordable Care Act (ACA), Public Law 111-148 enacted on March 23, 2010, and modified by the Health Care and Education Reconciliation Act, Public Law 111-152 enacted on March 30 2010, requires that the Department of Health and Human Services (HHS) to define actuarial value for qualified health plans (QHPs) and other non-grandfathered coverage in the individual and small group markets under section 1302(d)(2) of the Affordable Care Act as well as to implement cost-sharing reductions under section 1402 of the Affordable Care Act. Actuarial value is a measure of the percentage of expected health care costs a health plan will cover and is calculated based on the cost-sharing provisions of a health plan.

Similarly, Section 1402(a)(c) of the Affordable Care Act directs issuers to reduce cost-sharing for individuals with household incomes below 400 percent of the Federal Poverty Level who are enrolled in a QHP in the individual market through an Exchange. These cost-sharing reductions are designed to have the effect of achieving certain actuarial values and therefore related to the definitions and calculation of actuarial values.

Actuarial Value and Cost-Sharing Reductions Bulletin

On Friday February 24, 2012 the Center for Consumer Information and Insurance Oversight (CCIIO) released the Actuarial Value and Cost-Sharing Reductions (AV/CSR) Bulletin. The purpose of this bulletin is to provide information and solicit comments on the regulatory approach that the Department of Health and Human Services (HHS) plans to propose to define AV for qualified health plans (QHPs) and other non-grandfathered coverage in the individual and small group markets under section 1302(d)(2) of the Affordable Care Act, as well as to implement cost-sharing reductions under section 1402 of the Affordable Care Act.


Request for Comments: This request identifies a broad set of content areas of interest related to the bulletin. This is a request for comment regarding the aforementioned bulleting to assist the Departments in preparing a formal response. Comments are requested on all parts of the bulletin.

Date Requested: On or before 3pm central time on Friday March 16, 2012.

How to Send Comments: Send written comments to HealthReform.MN@state.mn.us and write “Actuarial Value and Cost-Sharing Bulletin” in the subject line of the email.

March 5, 2012