



MIKE CAUSEY
INSURANCE COMMISSIONER

ADVISORY

To: Insurance Companies Licensed under Chapter 58 of the North Carolina General Statutes and Planning to Participate in the 2021 ACA Individual/Non-Group Market

From: Mike Causey, Commissioner of Insurance

Date: March 24, 2020

Subject: Guidance for ACA Rate Loading for Defunded CSR Payments for the 2021 plan year

Due to the continued lack of federal legislation appropriating Cost Sharing Reduction (CSR) payments for individual market plans offered through the individual marketplace, the following information is being provided as guidance for the submission of rates assuming no CSR payments will be made:

- All CSR rate loading methodologies must be filed with the 2021 single-risk pool rate filing, as trade secret, for approval by the Department.
- The benefit cost sharing difference between standard silver and CSR variants must be “Silver Loaded” to all Silver plans that are ON Exchange only and both ON/OFF Exchange.
- Actuarially justifiable single risk pool morbidity components may be allowed to be “Broad Loaded” across all plans.
- The CSR rate loading methodology must be applied consistently across all geographic areas or counties.

This guidance is provided in order to continue to ensure that CSR rate loading methodologies are reasonable and consistent and to promote a level playing field for all carriers in the individual health insurance market. The guidance is expected to reduce uncertainty and promote stability in the individual marketplace. Further detailed guidance will be included in the NCDOI Plan Management Advisory Memorandum for Medical Plan and NCDOI Plan Management Advisory Memorandum for Rate Filings for PY 2021.