

# FEDERALLY FACILITATED MARKETPLACE, SUBSIDIES, PREMIUM PRICE AND INSURER OPTIONS

## FREQUENTLY ASKED QUESTIONS

- **Are federal subsidies available to those enrolling in a marketplace plan?**  
Yes. Individuals who earn between 100 and 400 percent of the federal poverty level are eligible to receive advanced premium tax credits, which reduce the premium paid by the beneficiary. Recently, the White House stopped funding for cost-sharing reductions, which is intended to help reduce out-of-pocket expenses for those who earn between 100 and 250 percent of FPL.
- **Are insurance companies withdrawing participation in offering products on the Federally Facilitated Marketplace?**  
Yes. In Missouri, the number of insurers offering products has decreased. In 2016, individuals located in 16 counties and St. Louis City had four, 96 counties had three and two counties had two insurance companies from which to choose. While in 2018, individuals in eight counties and St. Louis City will have two insurance company choices. The remaining 106 counties are left with one insurer offering products on the marketplace.
- **Is there a selection of insurance plans for those shopping on the marketplace?**  
Yes. Although the number of insurers has decreased, individuals shopping for a marketplace plan continue to have a choice in the metal plan and deductible and coinsurance options.
- **National news states that marketplace premiums are rapidly increasing. Is this true for Missouri?**  
Yes. However, a large variation exists in these increases. Marketplace premiums are established based on 10 rating areas in the state. Premium prices vary by rating area, metal plan, family composite and age. Between 2017 and 2018, the average premium increase is between 22 and 25 percent. The range of premium price changes varies from a reduction of 37 percent to an increase of 49.1 percent, based on the age, family composite, metal plan and rating area of the beneficiary.
- **How are Advanced Premium Tax Credits established?**  
Tax credits are the difference between an individual's maximum out-of-pocket premium expense and the second lowest silver plan price available to that individual.
- **Are the second lowest silver premium prices increasing?**  
Yes. The second lowest silver plan premium is the benchmark for premium subsidies. Based on location and age, the second lowest silver plan premiums are increasing an average of 28.6 percent between 2017 and 2018. The range for the second lowest silver plan premium is increased 14.1 to 43.1 percent.
- **With such large increases in premiums, can individuals continue to afford coverage on the marketplace?**  
In 2017, 88 percent of those who selected a marketplace insurance product received the tax credit. When looking at premium pricing, much of the premium is subsidized through the federal government. Due to this, the amount of premium expected to be paid by the beneficiary continues to be stable for most plans. Increases in premiums for higher level metal plans, such as gold and the higher coverage silver plans, largely will be paid by the individual.