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BULLETIN NO. 2022-04

TO: Health insurance issuers, health care service plans, health maintenance organizations, or other entities acting under the Affordable Care Act

FROM: Mark Fowler 
Acting Commissioner of Insurance

DATE: July 14, 2022

RE: Advanced premium tax credits – filing guidance

EFFECTIVE: Immediate

In March 2021, Congress passed the American Rescue Plan Act (ARPA), P.L. 117-7, 135 Stat. 4, which temporarily made coverage on the Affordable Care Act (ACA) marketplaces more affordable by increasing and expanding Advanced Premium Tax Credits (APTC), thereby lowering the amount consumers must contribute to their Individual Qualified Health Plan (QHP) premiums. However, under current law the enhanced premium tax credits expire at the end of 2022.

Filing guidance regarding initial rates

Carriers submitting 2023 Individual QHP rate filings should calculate rates under current law, meaning ARPA expanded APTC subsidies will expire at the end of this year. If there are no legislative changes at the federal level regarding APTC subsidies during the rate review period, these are the rates that carriers intend to be implemented upon approval.

Filing guidance regarding revised rates

Carriers who intend to revise their rates if legislative changes occur at the federal level regarding APTC subsidies should be prepared to submit an alternative rate filing if time allows during the rate review period. This alternative filing will only be implemented if those legislative changes do occur and the rates are approved.

Carriers are required to also provide the following items for review:

- The change in rates due to the extension of ARPA by plan
- A crosswalk of all the assumption changes due to the extension of ARPA along with support for each change

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- A description on where the changes are incorporated into the filing (URRT and Actuarial Memorandum)
- The impact on premium rates of all the assumption changes due to the extension of ARPA

If you have any questions, please contact Jennifer Li, Senior Life and Health Actuary at Jennifer.Li@insurance.alabama.gov.

MF/JFM/bc