

## CA DEPENDENT RATE COMPARISON: 2017 VS. 2018

This chart illustrates the differences between dependent rates for non-grandfathered Small Group plans between years 2017 and 2018.

<b>Sample Non-Grandfathered Small Group Plan</b> <i>Rates used in this example are for illustrative purposes only and are not actual rates</i>						
Census		Sample HMO Plan A Q4-2017 Rating Structure		Sample HMO Plan A Q1-2018 Rating Structure		Difference in Premium
Enrollee	DOB	Age	Rate	Age	Rate	
Employee	6/11/1972	45	\$ 475.00	45	\$ 473.00	-0.42%
Spouse	4/4/1977	40	\$ 420.00	40	\$ 418.00	-0.48%
Son	5/28/1996	21	\$ 329.00	21	\$ 327.00	-0.61%
Son	5/5/1999	18	\$ 209.00	18	\$ 299.00	43.06%
Daughter	7/1/2001	16	\$ 209.00	16	\$ 281.00	34.45%
Son	6/23/2007	10	\$ 209.00	10	\$ 250.00	19.62%
Daughter	9/9/2010	7	\$ 0.00	7	\$ 0.00	0.00%

The ACA initially called for a member-level rating structure with one rate for dependent children (through age 20) and unique rates beginning at age 21. For new and renewing business effective 1/1/2018 and later, carriers may charge one rate for children ages 0-14 and unique rates for dependents ages 15, 16, 17, 18, 19, 20, and above. Dependents ages 0-14 will also see increases in premiums as a result of this rating structure change, on a smaller scale than those of the 15-20 age group. The increase in child rates may result in very small decreases in adult rates. The actual rate variances will vary by insurance carrier.

Under the amended rules, carriers may still only charge for the three oldest dependents under the age of 21.

While this will reduce the rate spike from age 20 to 21 in the future, it will substantially increase costs for employees with dependents under age 21 in 2018. Starting in 2019, the rate increase between ages 15-20 will be much more gradual (than in 2018), but the 2018 rating structure change will significantly affect employees with dependents under age 21.

It is vital to get correct dependent dates of birth for your new and renewing non-grandfathered Small Group plans for accurate quoting in 2018.