



ACTUARIAL VALUE

Actuarial Value is determined using an HHS Actuarial Value calculator

The Department of Health and Human Services (HHS) created the Actuarial Value (AV) Calculator to determine what percentage of coverage non-grandfathered individual and insured small group plan benefits provide. This percentage determines the "plan categories" (or metal levels) for health plans sold both on and off a public Health Insurance Marketplace.

- A Bronze plan covers 60 percent of the full actuarial value of the health plan's benefits
- A Silver plan covers 70 percent of the full actuarial value of the health plan's benefits
- A Gold plan covers 80 percent of the full actuarial value of the health plan's benefits
- A Platinum plan covers 90 percent of the full actuarial value of the health plan's benefits

HHS allows a plus or minus two percent range for each plan category. For example, a Silver plan must have an actuarial value between 68 percent and 72 percent.

The AV Calculator is often confused with the Minimum Value (MV) Calculator. The AV Calculator is used only for determining the actuarial value of individual and insured small group plans for purposes of differentiating the level of coverage they provide. The MV Calculator is used for purposes of determining if employer-sponsored group plans meet the minimum value standards of the employer mandate. More information on the MV Calculator is under the Minimum Value topic of the www.employerdriven.com Health Care Reform Glossary Section.

The AV Calculator and methodologies are available on the CMS website. It's important to note there are versions for each year of health coverage since the regulations took effect in 2014.