



Health Care Reform

LEGISLATIVE BRIEF

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Metal Levels for Qualified Health Plans

Beginning in 2014, the Affordable Care Act (ACA) requires health plans offered through an Exchange, or qualified health plans (QHPs), to meet certain levels of actuarial value. ACA's required actuarial value levels are referred to as "**metal levels**"—bronze, silver, gold and platinum.

ACA's metal levels are intended to allow consumers to compare plans with similar levels of coverage in order to help them make informed decisions about their health insurance coverage. Since coverage will be similar for all plans in a metal tier (for example, all silver plans), consumers can focus on other plan factors, such as the premium and network of providers, when selecting a health plan.

QHP issuers must offer at least one plan in the silver level and one plan in the gold level through the Exchanges. Outside of the Exchanges, non-grandfathered plans in the individual and small group markets must offer coverage that matches up to the metal levels.

ACTUARIAL VALUE

Actuarial value is calculated as the percentage of total average costs for essential health benefits that a plan will cover. Essential health benefits are the core items and services that the plan must cover, such as prescription drugs, maternity and newborn care, preventive and wellness services and many additional benefits.

A health plan's actuarial value tells consumers how generous the plan's coverage is based on its cost-sharing provisions (that is, deductibles, copayments and coinsurance). Plans with higher actuarial values provide coverage that is more generous. For example, if a plan has an actuarial value of 70 percent, on average, a consumer would be responsible for 30 percent of the costs of covered benefits. If a plan has an actuarial value of 80 percent, on average, a consumer would be responsible for 20 percent of the cost of covered benefits.

The Department of Health and Human Services (HHS) has provided an [Actuarial Value Calculator](#) that issuers of non-grandfathered health plans in the individual and small group markets, both inside and outside of the Exchanges, must use to determine their metal levels.

METAL LEVELS

Each metal level is based on a specified share of the actuarial value of the plan's essential health benefits. Bronze plans have the least generous coverage, while platinum plans have the most generous coverage. Coverage levels are as follows:

| Bronze Level | Silver Level | Gold Level | Platinum Level |
|----------------------------|----------------------------|----------------------------|----------------------------|
| 60 percent actuarial value | 70 percent actuarial value | 80 percent actuarial value | 90 percent actuarial value |

HHS allows for small variations (plus or minus two percentage points) in the actuarial value used to determine levels of coverage. For example, under HHS' guidance, a silver plan could have an actuarial value between 68 percent and 72 percent.

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