



ARKANSAS
INSURANCE
DEPARTMENT



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Bulletin No. 6-2026

To: All Licensed Healthcare Insurers, Health Maintenance Organizations (HMOs), Fraternal Benefit Societies, Hospital Medical Service Corporations, and Other Interested Parties

From: Arkansas Insurance Department

Date: April 23, 2026

Subject: Plan Year 2027 Guidance for Applying Cost Sharing Reduction Load to Individual, On-Marketplace Silver Plans

Background

Beginning in 2018, insurers in the Arkansas Individual Market began modifying premiums to account for the discontinuation of federal funding for Cost Sharing Reductions ("CSR") subsidies. Historically, insurers have independently determined a "CSR load," subject to review and approval by the AID. AID now provides new, standardized guidance on how all issuers in the Individual Market must apply this load to On-Marketplace Silver plans.

CSR Load Calculation Methodology

Base Calculation

AID will determine a single CSR load factor by calculating the membership-weighted average of each Silver plan variant's Actuarial Value ("AV") multiplied by its corresponding Induced Demand Factor ("IDF"), then dividing by the product of the Base Silver AV and IDF.

For each CSR variant, AID will use the AVs and IDFs published by the U.S. Department of Health and Human Services ("HHS") in the Affordable Care Act ("ACA") risk adjustment program.

Membership weights will be based on the most recent enrollment data, though AID reserves the right to adjust these weights if anticipated plan enrollment differs significantly from past enrollment trends.

Example

Using 2026 data as of March 15, AID has calculated the CSR load for On-Marketplace Silver plans to be 1.40. Issuers must incorporate this factor for plan year 2027 in accordance with this guidance. The table below illustrates the calculation:

Cohort	Actuarial Value	Induced Demand Factor	Total Factor	2026 Enrollment Distribution
Base Silver	0.70	1.03	0.72	7.9%
73% CSR	0.73	1.03	0.75	6.1%
87% CSR	0.87	1.15	1.00	27.4%
94% CSR	0.94	1.15	1.08	58.6%
Weighted Average	0.89	1.13	1.01	
CSR Load			1.40	

Required Pricing Approach

Initial Pricing AV

Issuers must first calculate a Pricing AV for each Silver plan that reflects only the Base Silver benefits (i.e., no CSR enhancements).

Applying the CSR Load

The Pricing AV for each On-Marketplace Silver plan must then be multiplied by the AID-prescribed CSR load (e.g., 1.40 for plan year 2027). This requirement standardizes the CSR load across all issuers and ensures consistency in premium development for On-Marketplace Silver plans.

Impact on Enrollment and Rating Assumptions

Application of the prescribed CSR load factor may affect enrollment distribution across metal levels and among Silver variants. Issuers should make reasonable, data-driven assumptions regarding these shifts and reflect the resulting enrollment and risk impact in their rate filings.

Single Risk Pool

Issuers should apply the prescribed CSR load factor in a manner that is consistent with applicable single risk pool requirements and supported by the assumptions underlying the rate filing. To the extent application of the factor affects relative premium relationships across plans, issuers should reflect any actuarially appropriate adjustments in a reasonable and consistent manner as outlined below.

ARHOME Plans: Issuers offering ARHOME plans must apply any necessary rate changes exclusively to those ARHOME plans.

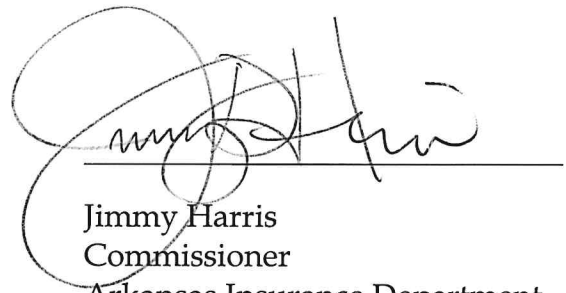
All Other Plans: If an issuer does not offer ARHOME plans, the requisite rate change should be applied proportionally to all non-Silver plans.

Compliance

Issuers must reflect these instructions in their Plan Year 2027 rate filings, using the final load factor published by AID in advance of the filing deadline. Each filer should include detailed documentation of its methodology, including any enrollment shifts or other assumptions used.

AID will review all submissions for compliance, reasonableness, and adherence to this guidance.

Questions related to this Bulletin may be directed to insurance.hirr@arkansas.gov.



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