



NEWS RELEASE

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For Immediate Release: August 21, 2019

Blue Cross NC to Lower ACA Rates for Individuals by -5.5% in 2020

First individual market rate decrease for all 100 counties in Blue Cross NC history

Durham, N.C. – Blue Cross and Blue Shield of North Carolina (Blue Cross NC) announced today that the North Carolina Department of Insurance (NCDOI) has approved its 5.5 percent average rate decrease for 2020 Affordable Care Act (ACA) plans offered to individuals. This is the first time in the history of Blue Cross NC, since entering the current individual market more than 25 years ago, that all 100 counties will see an average rate reduction.

The rate decreases mean a \$230 million reduction in health care costs for 2020. Blue Cross NC was able to achieve an even lower rate than what it originally filed due to continued progress on provider collaboration.

“This is a historic day as we reduce rates for all 100 counties of our state. We have a lot of work left to do, but these reductions show what’s possible when both insurers and providers are jointly responsible for better, simpler, more affordable care,” said Patrick Conway, President and CEO of Blue Cross NC. **“We’re going to keep building on these successes, and become a national model for what high-quality, consumer-focused, affordable health care looks like.”**

Blue Cross NC serves more than 435,000 individual ACA members and once again, expects to be the only ACA insurer to offer individual plans in all 100 counties in 2020.

Regional Rates and Plans

Regional decreases range from an average of -1 percent to -14.2 percent for the individual market.

Blue Cross NC 2020 Individual Rate Decreases

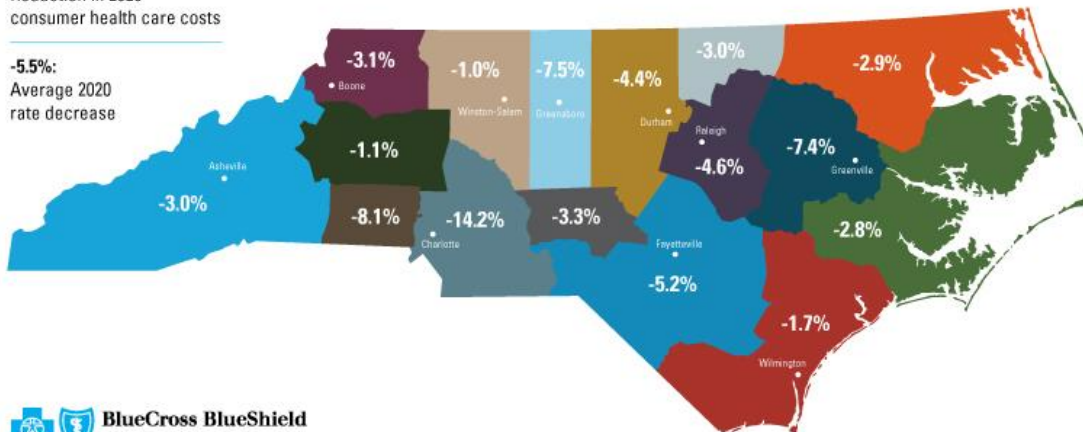
First individual market rate decrease for all 100 counties in Blue Cross NC history

-\$230 million:

Reduction in 2020
consumer health care costs

-5.5%:

Average 2020
rate decrease



BlueCross BlueShield
of North Carolina

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This is the second year in a row that Blue Cross NC has [decreased average rates for individual ACA members](#). The company's average rate reduction for individual members has totaled nearly 10 percent over the last two years.

As always, rates vary based on location, age, subsidy amount and plan. Federal tax credits known as premium subsidies are still available for customers with household incomes between 100 and 400 percent of the Federal Poverty Level. About 85 percent of Blue Cross NC current customers with individual ACA plans qualify for subsidies this year. Subsidies vary by plan and household income.

Individual premiums will be available in October. Open enrollment begins November 1, 2019, and ends December 15, 2019.

Blue Cross NC will announce specifics around rates for small businesses with 1 to 50 employees when those rates are approved in the fall.

Factors Impacting Rate Reduction

- **The Move to Value:** The rate reductions are supported by the company's [industry-leading move to value-based provider reimbursement](#). Blue Cross NC is also [providing more resources and data to independent primary care practices](#) so they can participate in value-based care models.
- **Marketplace Expertise:** Blue Cross NC has gained substantial insights about its ACA customers over the six years that it has participated in the Marketplace. This information has allowed the company to better coordinate care for these customers and reduce the medical expenses for the care they require.

- **Greater Stability and Certainty:** Rates have stabilized, because of the state legislature's and regulators' willingness not to add additional health insurance mandates and regulatory burdens that drive costs up for individuals and small businesses.
- **Internal Savings:** Blue Cross NC continues to make progress on reducing internal overhead operating expenses.

About Blue Cross and Blue Shield of North Carolina:

Blue Cross and Blue Shield of North Carolina (Blue Cross NC) improves the health and well-being of our customers and communities by providing innovative health care products, services and information to more than 3.8 million members, including approximately 1.1 million served on behalf of other Blue Plans. Since 1933, we have worked to make North Carolina a better place to live through our support of community organizations, programs and events that promote good health. Blue Cross and Blue Shield of North Carolina is an independent licensee of the Blue Cross and Blue Shield Association. Visit Blue Cross NC online at bluecrossnc.com. All other marks are the property of their respective owners.

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