

For brokers and producers only

Date: August 20, 2020

Markets: Individual and group fully insured business

Medical Loss Ratio (MLR) Rebate Mailings

Background

Under the Affordable Care Act (ACA), all health insurers must spend a minimum percentage of the premiums they collect on healthcare services and quality improvement activities for their members. This percentage is called the Medical Loss Ratio (MLR) and is calculated for an insurer's overall business based on the market segments in each state, not at the group level.

If the minimum MLR is not met within a market, insurers must pay a rebate to customers in that market segment.

- **Small group & Individual** (fully insured groups with *50 or fewer* employees): Generally, insurers must spend at least 80 cents of every premium dollar they receive on healthcare services.
- **Large group** (fully insured groups with *51 or more* employees): Generally, insurers must spend at least 85 cents of every premium dollar they receive on healthcare services.

Current situation

CareFirst BlueCross BlueShield and CareFirst BlueChoice, Inc. (CareFirst) will distribute nine types of MLR rebates that differ by product and jurisdiction as follows:

- Large Group BlueChoice plans in D.C.
- Large Group BlueChoice plans in VA
- Small Group BlueChoice plans in MD
- Small Group BlueChoice plans in VA
- Small Group GHMSI plans in VA
- Individual BlueChoice plans in MD
- Individual BlueChoice plans in VA
- Individual CFMI plans in MD
- CFMI Individual Catastrophic MiniMed plans in MD

For the 2019 calendar year, rebate checks will begin mailing to groups the week of August 24, 2020 with subscriber checks and notices to immediately follow. Further details about eligible groups and rebates will be available through broker services approximately one week prior to the above mail date.

Rebate information

- Rebates are calculated based on the premiums paid for medical products by legal entity (CFMI, GHMSI or BlueChoice) and jurisdiction (MD, D.C., VA). As a result, groups that have products with different legal entities may receive a rebate for one product and not for another. Certain groups could also receive multiple checks.
- Employers should determine their legal and accounting obligations relating to the distribution of the rebate. CareFirst cannot provide legal or accounting advice to employers.
- Rebate checks/notices will be sent to employer groups *before* notices are sent to eligible subscribers.

Contact information

The following MLR Customer Service phone numbers are provided in the notices:

- Individual – Member Service: 855-850-0939, Broker Service: 888-285-8311
- Small group – Member Service: 855-850-0940, Broker Service: 888-285-8311
- Large group – Member and Broker Service: 855-850-0937

For more information

- For more information about Medical Loss Ratio, please visit www.HealthCare.gov.
- Frequently asked questions are also available online at www.carefirst.com/mlrfaq.

If you have general questions, please contact your broker sales representative. For specific small group or large group questions, please contact the MLR Customer Service Center at the phone numbers above.