

## For brokers and producers only

Date: April 4, 2019

Market: **Group fully insured business only**

## Medical Loss Ratio (MLR) Remediation Rebate Mailings Underway

### Background

Under the Affordable Care Act (ACA), all health insurers must spend a minimum percentage of the premiums they collect on health care 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 are required to pay a rebate to customers within that market segment.

- **Small group** (fully insured groups with 50 or fewer employees): Generally, insurers must spend at least 80 cents of every premium dollar they receive on health care 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 health care services.

### Current situation

CareFirst has recalculated its MLR for reporting years 2011–2017 due to certain required claims adjustments. CareFirst will distribute remediation rebates with interest to impacted small and large risk groups. The remediation rebate checks will be mailed by April 17.

For the **MLR remediation reporting years 2011–2017**, remediation rebate checks will begin mailing, April 8, 2019, to the following:

### 2017 rebates for the 2018 calendar payout year

For premiums paid in the 2018 calendar year, CareFirst will distribute remediation rebate checks to:

- BlueChoice DC Large Group: 32 groups
- BlueChoice MD Large Group: 10 groups
- BlueChoice MD Small Group: 1 group
- BlueChoice Virginia Large Group: 18 groups
- BlueChoice Virginia Small Group: 1 group
- GHMSI Maryland Small Group: 1 group
- GHMSI Virginia Small Group: 2 groups

### 2016 rebates for the 2017 calendar payout year

For premiums paid in the 2017 calendar year, CareFirst will distribute remediation rebate checks to:

- BlueChoice DC Large Group: 53 groups
- BlueChoice Virginia Large Group: 26 groups

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- BlueChoice Virginia Small Group: 10 groups
- BlueChoice Maryland Small Group: 19 groups
- CFMI Maryland Small Group: 1 group
- GHMSI Maryland Small Group: 1 group

#### **2015 rebates for the 2016 calendar payout year**

For premiums paid in the 2016 calendar year, CareFirst will distribute remediation rebate checks to:

- BlueChoice DC Large Group: 33 groups
- BlueChoice Maryland Small Group: 15 groups
- BlueChoice Virginia Large Group: 24 groups

#### **2014 rebates for the 2015 calendar payout year**

For premiums paid in the 2015 calendar year, CareFirst will distribute remediation rebate checks to:

- BlueChoice Virginia Large Group: 32 groups

#### **2013 rebates for the 2014 calendar payout year**

There was no adjustment required for the rebates paid in the 2014 calendar year, therefore there will be no remediated 2013 rebate checks.

#### **2012 rebates for the 2013 calendar payout year**

There was no adjustment required for the rebates paid in the 2013 calendar year, therefore there will be no remediated 2012 rebate checks.

#### **2011 rebates for the 2012 calendar payout year**

There was no adjustment required for the rebates paid in the 2012 calendar year, therefore there will be no remediated 2011 rebate checks.

#### **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.

#### **Contact information**

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

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

#### **For more information**

- For more information about Medical Loss Ratio, please visit [www.HealthCare.gov](http://www.HealthCare.gov).
- Frequently asked questions are also available online at [www.carefirst.com/mlrremediationfaqs](http://www.carefirst.com/mlrremediationfaqs).

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.

