

For brokers and producers only

Date: August 24, 2023

**Markets: Individual and group fully insured business**

## Medical Loss Ratio 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 six types of MLR rebates that differ by product and jurisdiction. The mailings will begin the week of August 28, 2023, and will be processed in the approximate order as follows:

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

The 2023 mailings will begin with the 2022 rebate calendar year group checks during the week of August 28, 2023. Subscriber rebate checks and notices will immediately follow. Further details about eligible groups and rebates will be available through broker services approximately three days prior to the expected mail date for each product shown above.

## Rebate information

- Rebates are calculated based on the premiums paid for medical products by legal entity (CFMI, GHMSI or BlueChoice) and jurisdiction (MD, DC, Northern 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.
- Please note: Rebate checks arrive by mail. Please take any opportunity to offer your client a reminder that if they were entitled to a rebate to confirm receipt and cashing of checks.

## 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](http://www.HealthCare.gov).
- Frequently asked questions are also available online at [carefirst.com/mlrfaq](http://carefirst.com/mlrfaq).

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