

## Medical Loss Ratio (MLR) Rebate 2022 FAQ

We're issuing rebates to some small group account holders and direct-pay subscribers based on the Affordable Care Act's (ACA) MLR rules.

### Why we're issuing rebates:

The ACA requires that health insurers spend a certain amount, called the MLR, on their subscribers' medical claims and on improving quality of care. This rule intends to limit spending on administrative costs and fees. In Massachusetts, the required spending threshold for direct pay and small groups (defined in MLR rules as those with 1 to 50 employees) is 88 percent. This year, we spent less than the limit for small group account holders and direct-pay subscribers, so those customers will be issued rebates.

### Who will receive rebates and how will they be distributed?

About 100,000 subscribers will receive rebates, including approximately 20,000 direct-pay subscribers and 14,000 small group account holders who will pass the rebates on to their employees.

- **Small Group Account Holders:**  
We'll apply the rebate to your next invoice after August 31, 2022. If you don't usually receive invoices, we'll send you a check. The rebate amount will be displayed as a line item for each group. You must either use the money to issue cash rebates to your employees covered in 2021, or to lower their premiums for the upcoming plan year.
- **Active Direct-Pay Subscribers:**  
Your rebate will be applied to your next invoice delivered after August 31, 2022.
- **Inactive Direct-Pay Subscribers:**  
If you were a direct-pay member in 2021 but no longer have an active policy, you'll be sent a check for your rebate.
- **Large Group Account Holders:**  
We exceeded the required spending threshold for large groups, so you won't receive a rebate.

MLR rebates don't apply to self-insured (ASC) accounts.

### How are we communicating this information to small group account holders and subscribers?

- **Small Group Account Holders:**  
We're mailing letters mandated by the Centers for Medicare & Medicaid Services (CMS) to all

impacted small group account holders on August 25, 2022. We're also sending an informational email on the same day. Impacted accounts with multiple groups entitled to refunds will be mailed a CMS letter for each group.

- **Small Group Subscribers:**

We're mailing CMS-mandated letters to members of impacted accounts postmarked between September 15, 2022, and September 30, 2022. These letters will inform the members of the MLR rules and let them know that their employer is entitled to and will be receiving a rebate.

Additionally, we're publishing a press release on our online [Newsroom](#).

### **What was our MLR for combined direct pay and small groups in 2021?**

Our merged market MLR was 87.1 percent in 2021.

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ATTENTION: If you don't speak English, language assistance services, free of charge, are available to you. Call Member Service at the number on your ID card (TTY: 711).

Spanish/Español: ATENCIÓN: Si habla español, tiene a su disposición servicios gratuitos de asistencia con el idioma. Llame al número de Servicio al Cliente que figura en su tarjeta de identificación (TTY: 711).

Portuguese/Português: ATENÇÃO: Se fala português, são-lhe disponibilizados gratuitamente serviços de assistência de idiomas. Telefone para os Serviços aos Membros, através do número no seu cartão ID (TTY: 711).