



WELCOME

Medical Loss Ratio Rebate Distribution Process

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Independence 

Background of Medical Loss Ratio



The Affordable Care Act requires that all health insurers spend a percentage of each premium dollar received to pay claims, clinical services, and activities that improve health care quality. This percentage is known as the minimum Medical Loss Ratio (MLR).

- If a health insurer does not meet this MLR requirement, the insurer is required by law to issue rebates and notify subscribers.
- Notices (and rebates) must be provided by September 30 for Federal -- and December 31 for NJ State -- of the year following the MLR reporting year for which the rebate is being issued.
- Each issuer must provide a notice to all current subscribers of group policyholders who receive a refund.

Estimated 2020 Rebates

Segment	MLR Formula	Count of recipients
QCC Individual Consumer	Federal	34,000
QCC Small Group	Federal	12,000
QCC Large Group	Federal	3,800
KHPE Large Group	Federal	1,200
AHIC Small Group	Federal	6,000
AHIC Large Group	Federal	1,000
AHNJ Large Group	Federal	100
AHIC Individual Consumer	NJ State	97,000
AHNJ Individual Consumer	NJ State	12,000
AHNJ Small Group	NJ State	1,500

Timeline of Key Activities

APRIL

- Planning begins for upcoming mailing



JULY

- Filing
- Outreach mailing to determine ERISA status



SEPTEMBER

- Advance notice of rebates and reports made available
- Rebates and letters mailed



JUNE

- Calculations determined



AUGUST

- Testing of Files for Production
- Outreach to brokers and sales to encourage address updates



SEPTEMBER 30

- Returned checks managed

MLR Rebate timeline in New Jersey differs slightly.

Communications Overview

Mid July



ERISA MAILING

- “Written assurance’ collected from groups not governed by ERISA.
- Letters sent with link to online survey.

Early Aug.



REBATE MATERIALS

- Consumer rebate letters
- Employer rebate letters
- Subscriber letters for those whose employers are receiving rebates
- CMS prescribed notices
- Taglines and disclosures

Aug.



ADVANCE NOTICES

- Independence Edge to alert Sales and Brokers of upcoming rebates and encourage address updates
- Independence Edge with copies of the planned materials

Sept.



IMPACT REPORTS

- Initial reports made available without check numbers
- Final reports in mid to late September with check numbers

Disbursements Overview

Mid Sept.



CHECK FILES

- Process MLR rebate check files
- Reconciliation of check register

Mid Sept.



CHECK MAILING

- Coordination of check printing and mailing with vendor
- Ensure all checks are mailed timely

Mid Oct.



RETURNED MAIL

- Processing of returned mail for bad address
- If the USPS provides a forwarding address, the check will be remailed
- If a forwarding address isn't available, a return indicator is updated in the check writing system

Nov.



VOID AND REISSUE

- If a check isn't received after 30 days, the group can request the check be voided and reissued

Availability of Impact Reports



CURRENT STATE

- Broker Experience emails MLR rebate customer file to all impacted primary agencies.
- General agents distribute to producing agents.



FUTURE STATE

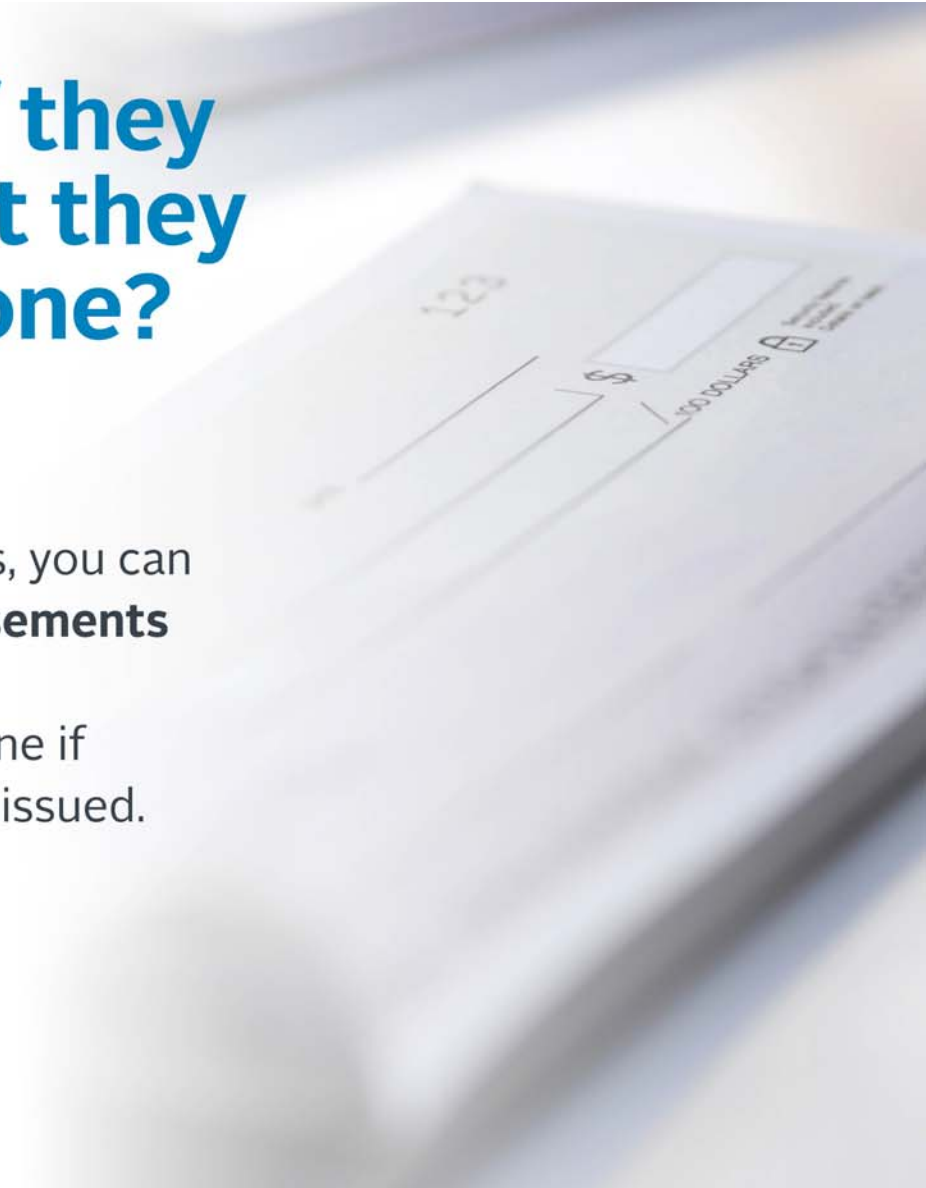
- MLR rebate file will populate within the Broker Reports applet on Sales Portal to allow access to primary or producing agents when needed.
- Our goal is to have this technology up and running for the 2020 rebates.

Most Common Inquiries



What should a client do if they do not receive a check but they are on the list to receive one?

If the checks do not show up after 30 business days, you can contact the IBC Disbursements team at the **Disbursements email address** (ibcdisbursements@ibx.com OR ahnjdisbursements@amerihealth.com) to determine if checks have been cashed yet or to get a new check issued.



What if a group has gone out of business?

If the company is no longer in business, the check cannot be issued to the owner. The rebate checks would be issued to the former subscribers.



If the company was sold, formal documentation that was filed with the state will need to be provided. Then, the check can be reissued to the new company.

A white wooden sign with the word 'SOLD' in red letters. The sign is rectangular and is mounted on a white wooden post. The background is blurred, showing some lights and structures.

Can I obtain a list of employees receiving rebates? Or share a list of subscribers receiving rebate notices with my group client?

We cannot release a list of subscribers to which we sent the rebate notice.

- The information is available to the employers through other means. The list is compiled of employees who were covered under the group policy at any point during the calendar year.
- There is the risk that the employer uses this information to determine how to distribute the rebate, and that is not necessarily the appropriate list to use for the employer to distribute the rebate.
- We can only release rebate information to the current Broker of Record. So, when brokers inquire about customers who were previously with them, but are now with another broker, proof that the client is requesting the information from them is required.

Questions & Next Steps

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Thank you for joining us!

Next Broker Experience Series webcast

Date: September 21st

Time: 10 a.m. - 11:30 a.m.

Topic: Financial Well-being Offerings

Register: Watch Independence Edge



Greg Kozlowski
College Tuition Benefit



Fran Grady
College Tuition Benefit



John Fistner
Ablepay Health



Brian Walters
Gradfin

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