

## Notice of Health Insurance Premium Rebate

[Date]

[FName LName]

[Address 1]

[Address 2]

[City, State ZIP]

Re: Health Insurance Premium Rebate for Year 2023

[Policy Number]

Dear [FName LName],

This letter is to inform you that Mass General Brigham Health Plan will be rebating a portion of your health insurance premiums through your employer or group policy holder. This rebate is required by the Affordable Care Act – the health reform law.

We are enclosing a check. Your rebate/credit is [\$check].

The Affordable Care Act requires Mass General Brigham Health Plan to rebate part of the premiums it received if Mass General Brigham Health Plan does not spend at least 80 percent of premiums on health care services, such as doctors and hospital bills, and on activities to improve health care quality, such as efforts to improve patient safety. No more than 20 percent of premiums may be spent on administrative costs such as salaries, sales, and advertising. This is referred to as the “Medical Loss Ratio” standard or the 80/20 rule. The 80/20 rule in the Affordable Care Act is intended to ensure that consumers get value for their health care dollars.

You can learn more about the 80/20 rule at: <https://www.healthcare.gov/health-care-law-protections/rate-review/> and <https://www.cms.gov/CCIIO/Programs-and-Initiatives/Health-Insurance-Market-Reforms/Medical-Loss-Ratio>.

The Affordable Care Act allows States to require health insurers to meet a higher ratio. Massachusetts sets a higher Medical Loss Ratio standard, so Mass General Brigham Health Plan must meet an 88% Medical Loss Ratio, meaning that 88% of premiums must be spent on medical services and activities to improve health care quality, and no more than 12% of premiums may be spent on administrative costs.

### What the Medical Loss Ratio Rule Means to You

The Medical Loss Ratio is calculated on a state-by-state basis using a three-year average. It is not based only on your group’s premiums and claims. In Massachusetts, from 2021 to 2023, Mass General Brigham Health Plan spent on average only 86.1% of premium dollars on health care and activities to improve health care quality. Since it missed the 88% target in Massachusetts by 1.9%, Mass General Brigham Health Plan must rebate 1.9% of a total of \$479,722,646 of its after-tax premium revenue in your market segment. We are required to send your group’s portion of this rebate to your employer or group policyholder by September

30, 2024, or apply it to your premium that is due no later than October 30, 2024. Employers or group policyholders must follow certain rules to determine whether and how much of the rebate must be used for your benefit.

### **Ways in Which an Employer Can Distribute the Rebate**

If your group health plan is a non-Federal governmental plan (such as coverage sponsored by a state or local government for its employees), the employer or group policyholder must distribute the employees' portion of the rebate in one of two ways:

- Reduce premium for the upcoming year; or
- Provide a cash rebate to employees or subscribers.

If your group health plan is a church plan, the employer or group policyholder has agreed to distribute the employees' portion of the rebate in one of the two ways described above.

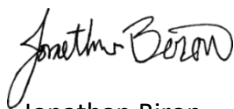
If your group health plan is not a governmental plan or a church plan, it likely is subject to the Federal Employee Retirement Income Security Act of 1974 (ERISA). Under ERISA, the employer or the administrator of the group health plan may have fiduciary responsibilities regarding use of the Medical Loss Ratio rebates. Some or all of the rebate may be an asset of the plan, which must be used for the benefit of the employees covered by the policy. Employees or subscribers should contact the employer or group policyholder directly for information on how the rebate will be used. For general information about your rights regarding the rebate, you may contact the Department of Labor's Employee Benefits Security Administration at 1-866-444- EBSA (3272) or review the Department's technical guidance on this issue on its web site at <https://www.dol.gov/agencies/ebsa/employers-and-advisers/guidance/technical-releases/11-04>.

### **Need more information?**

If you have any questions about the Medical Loss Ratio and your health insurance coverage, please contact Mass General Brigham Health Plan Customer Service toll-free at 866-414-5533 or the number on the back of your ID card, Monday through Friday from 8:00 AM to 6:00 PM or Thursdays from 8:00 AM to 8:00 PM. You may also visit our web page about the rebates at [MassGeneralBrighamHealthPlan.org/mlr](https://www.massgeneralbrighamhealthplan.org/mlr).

Contact your employer or Administrator directly for information on how the rebate will be distributed. For general information about your rights regarding the rebate if your group health plan is subject to ERISA, you may contact the Department of Labor's Employee Benefits Security Administration at 1-866-444-EBSA (3272) or review the Department's technical guidance on this issue on its web site at <https://www.dol.gov/agencies/ebsa/employers-and-advisers/guidance/technical-releases/11-04>.

Sincerely,



Jonathan Biron  
Director, Customer Service, Mass General Brigham Health Plan