

Are you sure I won't receive any of the \$1.1 billion in rebates from insurance companies under HealthCare Reforms MLR requirement this year?

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According to the data collected by Healthcare.gov only some Minnesotans will be receiving a rebate from their insurance company this fall. By the diagram below, most of our local insurance companies spend more of your premium dollars on your care and quality improvement than what is required under Healthcare Reform (Affordable Care Act).

The term MLR (Medical Loss Ratio) had pertained to the amount of money you paid in your insurance premiums in comparison to the amount of money the insurance company paid out in claims, taxes and administration. Under Healthcare Reform, the definition has changed to also include the amount of money the insurance company pays on quality improvement.

Under the Affordable Care Act (ACA), the federal government wants to make sure you are receiving more value for the health insurance premium dollars you pay. With Individual and Small Group plans the ACA requires insurance companies to pay 80% of your health insurance premium dollars on actual care or of quality improvement. Large group plans must pay 85% of the premium dollar on actual care or of quality improvement. If the insurance company MLR is lower than the required percentage, the member receives a refund, meaning they are not spending enough.

If an insurance company has fewer than 1000 people enrolled in the state or market segment, then the MLR rules do not apply.

Consumers that are owed a refund should be receiving a letter from their insurance company by August 1, 2012. Individual insurance purchasers should be receiving a refund directly to them while employers would be receiving the refund and provide the required formula to each subscriber.

The data that Healthcare.gov reports is that it appears that the Minnesota insurance companies that we looked at, seem to be doing a great job in what they are charging their customers as it relates to coverage and programs to improve their health.

A question to ask yourself is, would you be willing to pay less in insurance premiums if the insurance companies provided fewer wellness type benefits? By removing the fitness gym membership discount, omitting a nurse phone line, baby line, employee assisted program or streamline other wellness benefits would lower your insurance premium costs. All of these added benefits have a price tag associated with them.

Is it the insurance companies' responsibility for your wellness or is it personal responsibility? What are you willing to give up for less expensive insurance premiums?

Sampling of the Medical Loss Ratio Requirement in Minnesota

Minnesota Individual Insurance Market

Insurance Company Name	Actual Medical Loss Ratio	HealthCare Reform required MLR	Average Rebate per Subscriber
HealthPartners, Inc.	103.8%	80%	Not Applicable
HealthPartners Insurance Co.	80.8%	80%	Not Applicable
BCBS of MN	92%	80%	Not Applicable
Medica Insurance Co.	92%	80%	Not Applicable
PreferredOne Insurance Co.	78.4%	80%	\$50.00
John Alden Insurance Co.	100.5%	80%	Not Applicable
Time Insurance Co.	79.7%	80%	\$16.00

Minnesota Small Group Insurance (Typically under 50 employees)

Insurance Company Name	Actual Medical Loss Ratio	HealthCare Reform required MLR	Average Rebate per Subscriber
HealthPartners, Inc.	83.3%	80%	Not Applicable
HealthPartners Insurance Co.	89.1%	80%	Not Applicable
BCBS of MN	86.2%	80%	Not Applicable
Medica Insurance Co.	87%	80%	Not Applicable
PreferredOne Community Health Plan	93.9%	80%	Not Applicable
PreferredOne Insurance Co.	94.4%	80%	Not Applicable

Minnesota Large Group Insurance

Insurance Company Name	Actual Medical Loss Ratio	HealthCare Reform required MLR	Average Rebate per Subscriber
HealthPartners, Inc.	83.7%	85%	\$163.00
HealthPartners Insurance Co.	88.3%	85%	Not Applicable
BCBS of MN	90.4%	85%	Not Applicable
Medica Health Plans	88.5%	85%	Not Applicable
Medica Insurance Co.	86.6%	85%	Not Applicable
PreferredOne Community Health Plan	94.4%	85%	Not Applicable
PreferredOne Insurance Co.	94.7%	85%	Not Applicable