

U.S. Behavioral Health Plan, California  
MLR Operations  
PO BOX 30519  
SALT LAKE CITY, UT 84130

U.S.  
Behavioral  
Health  
Plan,  
California

September Y, 20YY

JOE SMITH  
123 MAIN ST  
ANYTOWN, CA 99999

Re: 20XX Health Insurance Premium Rebate

Dear member:

We are writing to give you information about Health Insurance Premium rebates that are a part of the Affordable Care Act. You do not need to take any action. Rather we, and the Federal Government who has asked us to send this notice to you, want to make sure you are informed.

Your employer or policyholder will be receiving a rebate check based on the Medical Loss Ratio (MLR). Enclosed is a letter explaining the MLR and the rebate and some Frequently Asked Questions that we hope will be helpful to you.

If you have any other questions or need further explanation, please call us at 1-855-820-8016. Our goal is to help you throughout this process and communicate with you in a way that helps to clarify the information you are receiving. We appreciate your relationship with U.S. Behavioral Health Plan, California and will continue to work hard to serve your needs.

Sincerely,

U.S. Behavioral Health Plan, California

Below are answers to Frequently Asked Questions about Medical Loss Ratio (MLR) and the rebate and where to go for additional information.

## **Frequently Asked Questions**

### **What is MLR?**

The percentage of insurance premium dollars spent on reimbursement for clinical services and activities to improve health care quality. Large group insurers must spend at least 85 percent of premium dollars on claims and activities to improve health care quality. Individual and small group insurers must spend at least 80 percent of premium dollars on claims and activities to improve health care quality.

### **How can I find out about the rebate amount my employer or group policy holder received?**

We can't give out information about rebate amounts due to confidentiality. 'The Notice of Health Insurance Premium Rebate' letter gives you information about MLR and calculations. You may ask your employer or group policyholder how much they received.

### **Do I get a part of the rebate that my employer or group policyholder received?**

The government has rules that employers or group policyholders must follow when applying rebate dollars received. Based on your plan, options may include reducing future premiums or providing a cash rebate. You may ask your employer or group policyholder how they plan to apply the rebate.

### **Where can I learn more about MLR rebates?**

To learn more about MLR rebates, visit [www.uhc.com/reform](http://www.uhc.com/reform) or you can call us at 1-855-820-8016.

## Notice of Health Insurance Premium Rebate

September Y, 20YY

JOE SMITH  
123 MAIN ST  
ANYTOWN, CA 99999

Re: Health Insurance Premium Rebate for Year 20XX; Policy #123456

Dear member:

This letter is to inform you that U.S. Behavioral Health Plan, California 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.

The Affordable Care Act requires U.S. Behavioral Health Plan, California to rebate part of the premiums it received if it does not spend at least 85 percent of the premiums U.S. Behavioral Health Plan, California receives on health care services, such as doctors and hospital bills, and activities to improve health care quality, such as efforts to improve patient safety. No more than 15 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 85/15 rule. The 85/15 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 85/15 rule and other provisions of the health reform law at: <https://www.healthcare.gov/health-care-law-protections/rate-review/>

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

The Medical Loss Ratio rule is calculated on a State by State basis. In your State, U.S. Behavioral Health Plan, California did not meet the 85/15 standard. In 20XX, U.S. Behavioral Health Plan, California spent only XX.X% of a total of \$X,XXX,XXX.XX in premium dollars on health care and activities to improve health care quality. Since it missed the 85 percent target by X.X% of premium it receives, U.S. Behavioral Health Plan, California must rebate X.X% of the total health insurance premiums paid by the employer and employees in your group health plan. We are required to send this rebate to your employer or group policyholder by September 30, 20YY, or apply this rebate to the health insurance premium that is due on or after September 30, 20YY. Employers or group policyholders must follow certain rules for distributing the rebate to you.

## Ways in Which an Employer Can Distribute the Rebate

If your group health plan is a non-Federal governmental plan, the employer or group policyholder must distribute the rebate in one of two ways:

- Reducing premium for the upcoming year; or
- Providing a cash rebate to employees or subscribers that were covered by the health insurance on which the rebate is based.

If your group health plan is a church plan, the employer or group policyholder has agreed to distribute the portion of the rebate that is based on the total amount all of the employees contributed to the health insurance premium in one of the ways discussed in the prior paragraph.

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 U.S. Behavioral Health Plan, California toll-free at 1-855-820-8016 or <http://uhc.com/reform>.

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/11-0>

Sincerely,



Randall, L. Solomon, MD, President  
U.S. Behavioral Health Plan, California