



Date

Employee Name  
Address  
City, State, Zip Code

**IMPORTANT INFORMATION ABOUT YOUR HEALTH INSURANCE PREMIUM REBATE**

Dear First Name Last Name,

HPHC Insurance Company will be rebating a portion of your health insurance premium through your employer for 2023.

A required Notice of Health Insurance Premium Rebate is included with this mailing. This notice provides information on how medical loss ratio (MLR) rebates are calculated.

**There's no action required on your part.**

For additional information on the MLR rebate, visit [www.harvardpilgrim.org/mlrrebate](http://www.harvardpilgrim.org/mlrrebate).  
Questions?

If you have questions after reading the following notice, call Member Services at **888-333-4742** (TTY: **711**). Representatives are available Mondays, Tuesdays and Thursdays from 8 a.m. to 6 p.m.; Wednesdays from 10 a.m. to 6 p.m.; and Fridays from 8 a.m. to 5:30 p.m.

Sincerely,

A handwritten signature in cursive script that reads "Michael Fopiano".

Michael Fopiano  
Director, Member and Provider Services

Enclosure: Notice of Health Insurance Premium Rebate

## Notice of Health Insurance Premium Rebate

Date

Employee Name

Address

City, State, Zip

Re: Health Insurance Premium Rebate for Year 2023; Policy 0000000000

Dear First Name Last Name:

This letter is to inform you that HPHC Insurance Company, Inc. 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 HPHC Insurance Company, Inc. to rebate part of the premiums it received if HPHC Insurance Company, Inc. 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 [www.healthcare.gov/health-care-law-protections/rate-review/](http://www.healthcare.gov/health-care-law-protections/rate-review/) and [www.cms.gov/CCIIO/Programs-and-Initiatives/HealthInsurance-Market-Reforms/Medical-Loss-Ratio](http://www.cms.gov/CCIIO/Programs-and-Initiatives/HealthInsurance-Market-Reforms/Medical-Loss-Ratio).

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

The Medical Loss Ratio is calculated based on total premiums and claims of all similar-sized groups insured by an insurer in a state, using a three-year average. It is not based only on your group’s premiums and claims. In New Hampshire, from 2021 to 2023, HPHC Insurance Company, Inc. spent on average only 69.9% of premium dollars on health care and activities to improve health care quality. Since it missed the 80% by 10.1%, HPHC Insurance Company, Inc. must rebate 10.1% of a total of \$20,152,607 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 group’s health insurance premium that is due no later than September 30, 2024. Employers or group policyholders must follow certain rules to determine whether and how much of the rebate is 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 **866-444-EBSA (3272)** or review the Department's technical guidance on this issue on its website at **[www.dol.gov/agencies/ebsa/employers-and-advisers/guidance/technical-releases/11-04](http://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 HPHC Insurance Company, Inc. toll-free at **877-907-4742** or visit **[www.harvardpilgrim.org/mlrrebate](http://www.harvardpilgrim.org/mlrrebate)**.

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 **866-444-EBSA (3272)** or review the Department's technical guidance on this issue on its website at **[www.dol.gov/agencies/ebsa/employers-and-advisers/guidance/technical-releases/11-04](http://www.dol.gov/agencies/ebsa/employers-and-advisers/guidance/technical-releases/11-04)**.

Sincerely,



Cain A. Hayes  
Chief Executive Officer  
Point32Health