



Maryland
INSURANCE ADMINISTRATION

MLR Rebate Overview

MHBE Board Meeting

Monday, September 18, 2023, 2 PM – 3:30 PM

Presenter: Brad Boban, Chief Actuary

MLR Background

- The ACA defined a “Medical Loss Ratio” (MLR) calculation and set a minimum MLR standard of 80% in the Individual and Small Group markets and 85% in the Large Group market
- Pre-ACA, MLRs were typically computed with the simple equation of
$$\text{MLR} = \text{Claims} / \text{Premium}$$
- ACA defined the MLR as
$$\text{MLR} = (\text{Claims} - \text{State Reinsurance Receipts} + \text{QI Expenses}) / (\text{Premiums} - \text{Risk Adjustment Payments} - \text{Taxes \& Fees})$$
- Carriers compute a separate MLR for each market/state for each calendar year. Since 2013, a 3-year average MLR is also computed. If the 3-year average MLR falls below the minimum MLR standard, then an MLR rebate is owed to policyholders.

MLR Rebate Calculation

- Start with the 3-year MLR
- A credibility-adjustment is made which adjusts the MLR for carriers with less than 75,000 life-years upwards
 - A carrier with less than 1,000 life-years is deemed completely non-credible and no rebate will be owed regardless of MLR
- If credibility-adjusted MLR is less than MLR standard, a rebate is owed
- Rebate is calculated as $(80\% - \text{MLR}) \times \text{Premium}$, both on the aggregate level and for each policyholder.
- For members receiving APTC, the MLR rebate depends on the total unsubsidized premium. For those with the highest APTCs, it is possible to receive a rebate greater than the amount of subsidized premium paid.

MLR Rebate Timing and Logistics

- Carriers must submit the annual MLR report to CMS by July 31st of the following year (the 2022 reporting year was due 7/31/23)
- Any rebates owed must be issued to policyholders by Sept 30th
- Rebates are owed to all policyholders who had a policy during the reporting year
 - For those policyholders still actively enrolled in the payment year, carriers can choose to either issue a premium credit or a check
 - For policyholders who have lapsed, a check must be issued

MD Individual Market Rebate History

	Rebates (in Millions)			
	2011-2018	2019	2020	2021
Kaiser	\$0.0	\$0.0	\$0.0	\$0.0
CareFirst BlueChoice	\$0.0	\$20.2	\$48.9	\$24.8
CareFirst PPO (CFMI)	\$0.0	\$6.7	\$19.4	\$12.0
CareFirst PPO (GHMSI)	\$0.0	\$0.0	\$4.2	\$7.4
Optimum Choice Inc.	N/A	N/A	N/A	\$0.6
Total Ind. Rebates	\$0.0	\$26.9	\$72.5	\$44.8
Rebate % of Premium	0.0%	2.2%	6.1%	4.1%

Individual MLR Details for 2019 - 2021

2019 MLR	2017	2018	2019	3-Year Ave	Rebate %	Cred Adj	Rebate After Cred Adj		
Kaiser	103.1%	97.9%	88.2%	95.5%	0.0%		0.0%		
CareFirst BlueChoice	88.7%	76.4%	61.7%	76.6%	3.4%		3.4%		
CareFirst PPO (CFMI)	89.5%	73.3%	58.5%	74.8%	5.2%	1.5%	3.7%		
CareFirst PPO (GHMSI)	97.3%	83.7%	54.5%	81.8%	0.0%	1.7%	0.0%		
2020 MLR		2018	2019	2020	3-Year Ave	Rebate %	Cred Adj	Rebate After Cred Adj	
Kaiser		97.8%	87.6%	87.8%	91.4%	0.0%		0.0%	
CareFirst BlueChoice		76.5%	62.4%	76.5%	72.2%	7.8%		7.8%	
CareFirst PPO (CFMI)		73.4%	59.4%	58.5%	64.4%	15.6%		15.6%	
CareFirst PPO (GHMSI)		83.8%	54.8%	65.2%	69.6%	10.4%	1.7%	8.7%	
2021 MLR			2019	2020	2021	3-Year Ave	Rebate %	Cred Adj	Rebate After Cred Adj
Kaiser			87.8%	91.2%	96.9%	91.5%	0.0%		0.0%
CareFirst BlueChoice			62.4%	76.9%	88.1%	76.3%	3.7%		3.7%
CareFirst PPO (CFMI)			59.4%	59.0%	89.0%	68.3%	11.7%	0.8%	10.9%
CareFirst PPO (GHMSI)			54.7%	65.5%	78.2%	66.5%	13.5%		13.5%
Optimum Choice Inc.				0.0%	75.7%	71.3%	8.7%	4.8%	3.9%

CMS Links and Resources

- <https://www.cms.gov/cciio/mlr> is a search tool for a specific carrier's reports. Search by year/state/carrier name. 2011-2021 currently available, 2022 will be added between Oct and Feb based on past years timing.
- <https://www.cms.gov/marketplace/resources/data/medical-loss-ratio-data-systems-resources> Contain summary reports for each year by state/market.

State	Total Rebates	Consumers Benefitting from Rebates	Average Rebate per Person	Total Rebates	Consumers Benefitting from Rebates	Average Rebate per Person	Total Rebates	Consumers Benefitting from Rebates	Average Rebate per Person	Total Rebates	Consumers Benefitting from Rebates	Average Rebate per Person
USA	\$1,030,920,844	6,164,906	\$167	\$485,514,844	2,363,449	\$205	\$362,106,059	2,140,657	\$169	\$183,299,940	1,660,801	\$110
AK	\$0	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0	0	\$0
AL	\$29,675	361	\$82	\$29,675	361	\$82	\$0	0	\$0	\$0	0	\$0
AR	\$32,964,016	140,276	\$235	\$29,535,216	93,426	\$316	\$2,653,165	15,948	\$166	\$775,635	30,902	\$25
AZ	\$43,209,556	200,851	\$215	\$34,150,786	77,492	\$441	\$7,332,881	119,739	\$61	\$1,725,889	3,620	\$477
CA	\$105,195,477	866,863	\$121	\$0	0	\$0	\$98,021,567	603,166	\$163	\$7,173,910	263,697	\$27
CO	\$18,360,442	121,721	\$151	\$9,750,412	71,409	\$137	\$8,546,469	49,901	\$171	\$63,561	411	\$155
CT	\$1,851,125	29,615	\$63	\$1,624,209	3,731	\$435	\$226,917	25,884	\$9	\$0	0	\$0
DC	\$29,491,123	233,110	\$127	\$0	0	\$0	\$0	0	\$0	\$29,491,123	233,110	\$127
DE	\$1,350,545	21,959	\$62	\$0	0	\$0	\$1,350,545	21,959	\$62	\$0	0	\$0
FL	\$21,034,568	191,259	\$110	\$70,980	7,292	\$10	\$20,873,216	181,959	\$115	\$90,371	2,008	\$45
GA	\$5,747,961	19,856	\$289	\$0	0	\$0	\$5,708,715	18,019	\$317	\$39,247	1,837	\$21
HI	\$1,725,862	13,184	\$131	\$0	0	\$0	\$961,128	12,185	\$79	\$764,734	1,000	\$765
IA	\$1,137,964	8,121	\$140	\$868,799	1,502	\$578	\$269,165	6,619	\$41	\$0	0	\$0
ID	\$2,132,681	38,139	\$56	\$1,897,815	36,323	\$52	\$0	0	\$0	\$234,866	1,817	\$129
IL	\$2,748,070	7,864	\$349	\$0	0	\$0	\$0	0	\$0	\$2,748,070	7,864	\$349
IN	\$679,042	55,425	\$12	\$0	0	\$0	\$0	0	\$0	\$679,042	55,425	\$12
KS	\$8,863,405	37,462	\$237	\$8,778,785	36,304	\$242	\$0	0	\$0	\$84,620	1,158	\$73
KY	\$9,882,629	75,966	\$130	\$3,173,908	47,732	\$66	\$6,688,199	27,918	\$240	\$20,521	316	\$65
LA	\$3,385,308	61,869	\$55	\$2,546,502	23,697	\$107	\$0	0	\$0	\$838,806	38,172	\$22
MA	\$47,386,629	452,005	\$105	\$6,786,705	61,387	\$111	\$30,087,511	235,250	\$128	\$10,512,413	155,368	\$68
MD	\$53,446,981	228,568	\$234	\$44,894,175	177,919	\$252	\$1,634,268	20,054	\$81	\$6,918,538	30,595	\$226
ME	\$20,058,766	51,953	\$386	\$16,439,829	39,115	\$420	\$3,618,937	12,838	\$282	\$0	0	\$0
MI	\$25,596,877	117,630	\$218	\$21,817,658	72,210	\$302	\$180,065	21,327	\$8	\$3,599,155	24,092	\$149
MN	\$3,365,804	33,324	\$101	\$3,365,804	33,324	\$101	\$0	0	\$0	\$0	0	\$0
MO	\$40,371,558	183,506	\$220	\$25,427,609	141,026	\$180	\$14,907,880	41,258	\$361	\$36,068	1,221	\$30
MS	\$11,940,572	93,468	\$128	\$10,286,994	84,507	\$122	\$145,828	5,650	\$26	\$1,507,751	3,312	\$455
MT	\$4,907,748	27,197	\$180	\$4,112,045	21,006	\$196	\$0	0	\$0	\$795,704	6,191	\$129
NC	\$1,578,202	25,607	\$62	\$1,450,711	23,844	\$61	\$109,879	563	\$195	\$17,612	1,200	\$15
ND	\$0	0	\$0	\$0	0	\$0	\$0	0	\$0	\$0	0	\$0
NE	\$3,886,750	23,011	\$169	\$0	0	\$0	\$0	0	\$0	\$3,886,750	23,011	\$169
NH	\$26,004,242	113,486	\$229	\$15,383,924	49,306	\$312	\$4,454,137	32,132	\$139	\$6,166,181	32,047	\$192

State	Company Name	Rebates in the Individual Market	Rebates in the Small Group Market	Rebates in the Large Group Market
KY	Anthem Health Plans of Kentucky, Inc.	\$3,173,908	\$6,377,671	\$0
KY	Reliance Standard Life Insurance Company	\$0	\$0	\$20,521
KY	UnitedHealthcare of Ohio, Inc	\$0	\$310,529	\$0
LA	Aetna Health Inc. (a LA corp.)	\$0	\$0	\$228,664
LA	HMO Louisiana, Inc.	\$0	\$0	\$566,872
LA	Louisiana Health Service and Indemnity Company	\$2,546,502	\$0	\$0
LA	Reliance Standard Life Insurance Company	\$0	\$0	\$43,270
MA	Blue Cross and Blue Shield of Massachusetts HMO Blue, Inc.	\$2,707,995	\$10,707,382	\$0
MA	Fallon Community Health Plan	\$427,658	\$309,745	\$0
MA	Tufts Associated Health Maintenance Organization, Inc.	\$3,552,846	\$17,169,860	\$6,261,943
MA	Tufts Insurance Company	\$98,206	\$1,900,523	\$2,781,943
MA	UnitedHealthcare Insurance Company	\$0	\$0	\$1,468,527
MD	Aetna Health Inc. (a Pennsylvania corporation)	\$0	\$0	\$2,748,728
MD	CareFirst BlueChoice, Inc.	\$24,824,443	\$0	\$0
MD	CareFirst of Maryland, Inc.	\$12,024,350	\$641,742	\$0
MD	Group Hospitalization and Medical Services, Inc	\$7,434,567	\$992,526	\$0
MD	Optimum Choice Inc.	\$610,815	\$0	\$3,012,244
MD	UnitedHealthcare of the Mid-Atlantic, Inc.	\$0	\$0	\$1,157,566
ME	Anthem Health Plans of Maine, Inc.	\$8,374,926	\$3,618,937	\$0
ME	Maine Community Health Options	\$8,064,904	\$0	\$0
MI	Alliance Health and Life Insurance Company	\$0	\$0	\$3,016,973
MI	Blue Cross Blue Shield of Michigan Mutual Insurance Company	\$17,959,800	\$0	\$0
MI	Golden Rule Insurance Company	\$2,363,380	\$0	\$0
MI	Humana Insurance Company	\$0	\$61,646	\$135,052
MI	Molina Healthcare of Michigan, Inc.	\$1,438,045	\$0	\$0
MI	Nippon Life Insurance Company of America	\$0	\$0	\$407,020
MI	PHP Insurance Company	\$0	\$19,511	\$0
MI	Reliance Standard Life Insurance Company	\$0	\$0	\$40,110
MI	The United States Life Ins. Co. in the City of New York	\$56,433	\$0	\$0
MI	UnitedHealthcare Insurance Company	\$0	\$98,907	\$0
MN	HMO Minnesota	\$3,365,804	\$0	\$0
MO	Celtic Insurance Company	\$18,957,614	\$0	\$0