

## 2015 Health Insurance Premium Rebate FAQs

*If you received a rebate letter from CareSource, here are some answers to questions you may have.*

### 1. Why did I get this letter?

The Affordable Care Act (ACA) requires CareSource to give back some of the health insurance premiums to its members when the Medical Loss Ratio (MLR) goal is not met. CareSource managed its costs well and, as a non-profit mission driven company, we're pleased to provide this premium rebate to you.

### 2. What is the MLR?

Health Plans are required to spend a minimum percentage of the premiums they collect each year on health care services and quality improvement (QI) activities for their members.

### 3. What is the MLR goal?

Health plans such as CareSource Just4Me must spend at least 80% of the premium collected on health care and QI activities.

### 4. Who will get a rebate from CareSource?

Eligible members in CareSource Just4Me who paid premiums during 2014 will receive a rebate. All eligible members will receive a check before October 30, 2015 in the mail.

### 5. How are rebates decided?

The U.S. Department of Health and Human Services (HHS) gave health plans full instructions to decide MLR rebates. In its easiest form, MLR is decided by taking the amount spent on health claims and health quality and divide it by the premiums collected, minus certain federal and state taxes and fees.

$$\frac{\text{Claims} + \text{Costs that Improve Health Care Quality}}{\text{Premiums}}$$

### 6. Does this check have any impact on my coverage?

It has no impact on your coverage.

### 7. Will this rebate affect my insurance premium next year?

No. Each rebate is based on the MLR for that reporting year

### 8. Can I appeal the rebate amount I received?

No. Since your rebate is calculated using specific criteria required under the law and federal regulation, ACA does not offer an appeals process. The amounts used in calculating rebates (premiums, fees, etc.) are filed with and subject to review by federal and state regulators.

### 9. Does the fact that rebates were paid mean that insurers overcharged their members?

No. Premiums are typically set far in advance of when they take effect. In setting prices, insurers project the expected cost of medical claims based on the then-current cost trends, which do not perfectly predict future results.

If you have any questions or need additional information, please contact us at [PremiumRebate@caresource.com](mailto:PremiumRebate@caresource.com).