

August 2022

RE: Your Massachusetts State & Federal Medical Loss Ratio Rebate—Important Information

Subscriber Name: «business_name»

Subscriber Number: «member_code»

Dear Subscriber:

At Tufts Health Plan, our top priority is to provide you with high-quality, affordable health care coverage. To achieve this, we continuously monitor and manage ways to reduce costs.

We are letting you know that you will be receiving a Medical Loss Ratio (MLR) rebate for 2021 from Tufts Associated Health Maintenance Organization, Inc. (Tufts Health Plan). It will be noted on your applicable rebate whether it is a result of Massachusetts state and/or Federal MLR requirements. We have also enclosed a federally mandated communication titled “Notice of Health Insurance Premium Rebate”.

We are required to send this rebate to you by August 31, 2022 or apply this rebate to the health insurance premium that is due on or after August 31, 2022.

The rebate will be issued in the form of a credit on your October 2022 premium invoice issued by HSA Insurance which will be mailed to you during the week of August 29th, 2022.

For more information about MLR, please see the Frequently Asked Questions for members at <https://tuftshealthplan.com/mlr>.

If you have specific questions about this letter or the MLR rebate you have received please call HSA Insurance by phone, 781-228-2222, via live chat at hsainsurance.com, or by email, customerservice@hsainsurance.com.

Sincerely,

Tufts Health Plan

Notice of Health Insurance Premium Rebate

August 2022

«business_name»

«mail_add1»

«mail_add2»

«mail_city», «mail_state» «mail_zip»

Re: Health Insurance Premium Rebate for Year 2021; Policy # «member_code»

Dear Subscriber:

This letter is to inform you that you will receive a rebate of a portion of your health insurance premiums. This rebate is required by the Affordable Care Act – the health reform law.

The Affordable Care Act requires Tufts Associated Health Maintenance Organization, Inc. (Tufts Health Plan) to issue a rebate to you if Tufts Health Plan does not spend at least 80 percent of the premiums it 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 20 percent of premiums may be spent on administrative costs such as salaries, sales, and advertising. This requirement 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 and other provisions of the health reform law at: <https://www.healthcare.gov/health-care-law-protections/rate-review/>.

The Affordable Care Act allows States to require health insurers to meet a higher ratio. Massachusetts sets a higher Medical Loss Ratio standard, so Tufts Health Plan must meet a 88% Medical Loss Ratio, meaning that 88% of premiums must be spent on medical services and activities to improve health care quality, and no more than 12% of premiums may be spent on administrative costs.

What the Medical Loss Ratio Rule Means to You

The Medical Loss Ratio rule is calculated on a State-by-State basis. In Massachusetts, Tufts Health Plan did not meet the Medical Loss Ratio standard. In 2021, Tufts Health Plan spent only 83.9% of a total of \$505,431,871 in premium dollars on health care and activities to improve health care quality. Since it missed the 88 percent target in Massachusetts by 4.1% of premiums it received, Tufts Health Plan must rebate 4.1% of your health insurance premiums. We are required to provide this rebate to you by August 31, 2022 or apply this rebate to your premium that is due on or after August 31, 2022.

Need more information?

If you have any questions about the Medical Loss Ratio and your health insurance coverage, please contact Tufts Health Plan toll-free at 1-800-462-0224 or www.tuftshealthplan.com.

Sincerely,

Cain Hayes
Chief Executive Officer
Tufts Health Plan