PRODUCER BLAST

This email is intended for producers with Large Group clients in Pennsylvania.

Notice of Medical Loss Rebate to Group Markets

The Affordable Care Act (ACA) includes a Medical Loss Ratio (MLR) requirement for health insurers. The MLR provision mandates that insurers rebate all or a portion of the premiums paid if a certain percentage of premiums collected are not spent on claims or quality improvement programs. In the Individual and Small Group Markets, the MLR threshold is 80% of premiums collected. In the Large Group Market, the threshold is 85%.

This year, rebates will be distributed in the Large Group Markets in Pennsylvania. While the MLR calculation is based on a 3-year average, all rebates due are calculated using 2025 premiums. The companies and markets affected are:

Entity	Market
Highmark Coverage Advantage (HCA)	Large Group
Highmark Health Insurance Company (HHIC)	Large Group
First Priority Health (FPH)	Large Group

Lower than expected claims experience is due to several factors. Some of these include:

- Highmark working closely with providers to reduce costs.
- Members taking charge of their health through preventative screenings and other health-improving activities like smoking cessation programs.
- Members working with Highmark's Care Management Teams to better manage chronic conditions.

As a result, rebate checks will be mailed to eligible clients within the Large Group Market before the end of September. Small Group, Individual, and Student Health Plan contract holders are not being rebated.

How the Rebate Works for Group Market Clients
We are required to notify affected employers and their active, covered employees who were covered during the rebate years. Please review the client notification packages for samples of the communications.

Group Market Sample Communication Package

- Large Group FPH Client and Subscriber Communication
- Large Group HCA Client and Subscriber Communication
- Large Group HHIC Client and Subscriber Communication

Communication Timing

Week of	Communication
September 7	Client communication package
September 7	Subscriber communication package
September 21	Checks sent to clients

Questions

If you have questions about Large Group rebates, please contact your Highmark Client Manager.

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