

A requirement of the Affordable Care Act leads to a refund for some Utah consumers

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Video: <http://www.clipsyndicate.com/video/play/5248814>

SALT LAKE CITY, Utah- (ABC 4 Utah) – A little known rule in the Affordable Care Act is requiring insurance companies to give back millions of dollars to customers.

This year 6.8 million consumers across the country, including some here in Utah will cash in.

It's known as the Medical Loss Ratio (MLR).



It requires insurers to spend at least 80% of premium dollars on medical care for the individual and small group pools and at least 85% for the large group pool.

That would include doctor visits, hospital stays, medication, tests and scans and other covered services, not marketing and other administrative costs.

"What it's really designed to do is make sure when these insurance companies are sitting down and thinking of their budgets and thinking about what their priorities are that they are remembering that paying for patient healthcare should be their top priority," said Jason Stevenson, with Utah Health Policy Project.

If they fall short of those ratios they have to give the difference back to customers.

For 2013 companies will dish out \$330 million in refunds nation wide, \$3.2 million in Utah.



Eight companies missed the mark in our state.

Regence BlueCross BlueShield of Utah is paying the most, \$1.6 million to its small group market.

Altius is paying more than \$500,000 to individual market customers and so is United Healthcare to large group clients.

The Mega Life and Health Insurance Company will pay more than \$250,000 to its individual market.

BlueCross BlueShield exceeded the standard for two of the pools and missed the other by one percent.

"This amount we are rebating actually only amounts to about 2/10 of 1%. That means we're in excess of 98% right and by any measure most people would consider 98% a **performance**," said Lou Riepl, Strategic Communications Manager for Regence BlueCross BlueShield.



The other four companies paying refunds in Utah are Cigna Health and Life Insurance Company, Companion Life Insurance Company, Mid-West National Life Insurance Company of Tennessee and Trustmark Life Insurance Company.

This is the third year companies doing **business** in Utah have had to pay up for missing the ratios.

Each year the total refunds have declined, starting with \$4.9 million in 2011 to the \$3.2 million in 2013.

"Every year **insurance companies** get a little better at making sure they are spending 80% of their premiums on delivering healthcare," said Stevenson.

Those getting a refund shouldn't expect a windfall, the national average is \$80.

The deadline for companies to comply is this Friday, August 1, 2014.

