

August 30, 2022



007314040101

Here is a rebate on your 2021 health plan premiums

Each year we review the previous year's medical costs for our eligible groups and compare them to our premiums for that year. When our costs are lower than the threshold set by the Affordable Care Act, we issue premium rebates. These are called medical loss ratio (MLR) rebates.

Your MLR rebate check is enclosed

The ACA states that you can either use the rebate to pay for your plan's future premiums, which can help lower the cost for your employees, or you can distribute it among your employees covered by the rebated plan. Rebate distributions must be made within three months of the day you received the rebate.

This letter also includes a notice the U.S. Centers for Medicare & Medicaid Services (CMS) requires us to send you. It further explains the MLR rebates and how we calculate them. We will also let your employees know you received a rebate, as CMS requires.

Please contact your Anthem representative if you have questions.

- Your Anthem team



3075 VANDERCAR WAY
CINCINNATI, OH 45209

0831GE190151-007314

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CHECK NUMBER



DATE

08/31/22

PAGE 1

RECIPIENT NAME	
ADDRESS	
RECIPIENT ID NO	XXXXX6
TAX ID NO	XXXXX

PAYMENT SUMMARY

GROSS APPROVED AMOUNT	19,359.81	NET AMOUNT DUE	19,359.81
ADJUSTMENT AMOUNT	0.00	IRS WITHHELD	0.00
PRIOR BALANCE	0.00	STATE WITHHELD	0.00
LEVY/GARNISHMENT	0.00	AMOUNT DISBURSED	19,359.81
NET AMOUNT DUE	19,359.81	NEW BALANCE	0.00

DETACH CHECK AT PERFORATION BEFORE DEPOSITING



3075 VANDERCAR WAY
CINCINNATI, OH 45209

BANK OF AMERICA
ATLANTA, GEORGIA

0831GE190151-007314

CHECK NUMBER

0064-1278/0611

3359980417

CHECK AMOUNT

RECIPIENT ID NO

XXXXXX6

TAX ID NO

DATE

08/31/22

\$*****19,359.81

*****NINETEEN THOUSAND THREE HUNDRED FIFTY-NINE 81/100 DOLLARS

TO THE ORDER OF:



VOID

0070683148 061112788 3359980417

Notice of Health Insurance Premium Rebate

August 30, 2022

Re: Health Insurance Premium Rebate for Year 2021; Policy #XXX676

Dear [REDACTED]:

This letter is to inform you that Blue Cross of California will be rebating a portion of your health insurance premiums through your employer or group policy holder. This rebate is required by the Affordable Care Act - the health reform law.

The Affordable Care Act requires Blue Cross of California to rebate part of the premiums it received if it does not spend at least 80 percent of the premiums Blue Cross of California 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 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/>

What the Medical Loss Ratio Rule Means to You

The Medical Loss Ratio rule is calculated on a State by State basis. In your State, Blue Cross of California did not meet the 80/20 standard. In 2021, Blue Cross of California spent only 77.30% of a total of \$2,812,319,958.51 in premium dollars on health care and activities to improve health care quality. Since it missed the 80/20 percent target by 2.70% of premium it receives, Blue Cross of California **must rebate 2.70%** of the total health insurance premiums paid by the employer and employees in your group health plan. We are required to send this rebate to your employer or group policyholder by September 30, 2022, or apply this rebate to the health insurance premium that is due on or after September 30, 2022. Employers or group policyholders must follow certain rules for distributing the rebate to you.

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Ways in Which an Employer Can Distribute the Rebate

If your group health plan is a non-Federal governmental plan, the employer or group policyholder must distribute the rebate in one of two ways:

- Reducing premium for the upcoming year; or
- Providing a cash rebate to employees or subscribers that were covered by the health insurance on which the rebate is based.

If your group health plan is a church plan, the employer or group policy holder has agreed to distribute the portion of the rebate that is based on the total amount all of the employees contributed to the health insurance premium in one of the ways discussed in the prior paragraph.

If your group health plan is not a governmental plan or a church plan, it likely is subject to the Federal Employee Retirement Income Security Act of 1974 (ERISA). Under ERISA, the employer or the administrator of the group health plan may have fiduciary responsibilities regarding use of the Medical Loss Ratio rebates. Some or all of the rebate may be an asset of the plan, which must be used for the benefit of the employees covered by the policy. Employees or subscribers should contact the employer or group policyholder directly for information on how the the rebate will be used. For general information about your rights regarding the rebate, you may contact the Department of Labor's Employee Benefits Security Administration at 1-866-444- EBSA (3272) or review the Department's technical guidance on this issue on its web site at

<https://www.dol.gov/agencies/ebsa/employers-and-advisers/guidance/technical-releases/11-04>

Need more information?

If you have any questions about the Medical Loss Ratio and your health insurance coverage, please contact Blue Cross of California customer service toll-free number at the phone number provided on your ID card. For additional information on the rebate, please review the following at:

http://file.anthem.com/ABC_MLR_Employer_FAQ.pdf

Contact your employer or Administrator directly for information on how the rebate will be distributed. For general information about your rights regarding the rebate if your group health plan is subject to ERISA, you may contact the Department of Labor's Employee Benefits Security Administration at 1-866-444-EBSA (3272) or review the Department's technical guidance on this issue on its web site at

<https://www.dol.gov/agencies/ebsa/employers-and-advisers/guidance/technical-releases/11-04>

Sincerely,



Beth Andersen,
California President and General Manager
Blue Cross of California

NOT2B25 09/19