

Harvard Pilgrim Health Care  
1 Wellness Way  
Canton, MA 02021  
harvardpilgrim.org



<Current Date>

<Subscriber First Name> <Subscriber Last Name>

<Subscriber Address 1>

<Subscriber Address 2>

<Subscriber City>, <Subscriber State>, <Subscriber Zip>

## IMPORTANT INFORMATION ABOUT YOUR HEALTH INSURANCE PREMIUM REBATE

Dear Subscriber,

I'm writing to let you know that you will be receiving a medical loss ratio ("MLR") rebate for 2024 from Harvard Pilgrim Health Care. This rebate is issued in accordance with the Medical Loss Ratio (MLR) requirements of the Affordable Care Act. The Affordable Care Act requires that all health insurers spend a certain percentage of premiums on claims and expenses that improve health care quality. This percentage is known as the minimum MLR. If a health insurer does not meet the minimum MLR requirement, the insurer must issue rebates to all affected individuals.

A required *Notice of Health Insurance Premium Rebate* is included with this mailing. This notice provides information on how MLR rebates are calculated.

**There's no action required on your part.**

For more information on the MLR rebate, visit [www.harvardpilgrim.org/mlrrebate](http://www.harvardpilgrim.org/mlrrebate).

### Questions?

If you have questions after reading the following letter, please call Member Services at **877-907-4742** (TTY: **711**). Representatives are available Mondays, Tuesdays and Thursdays from 8 a.m. to 6 p.m.; Wednesdays from 10 a.m. to 6 p.m.; and Fridays from 8 a.m. to 5:30 p.m.

Sincerely,

Member Services

Enclosure: Notice of Health Insurance Premium Rebate

## Notice of Health Insurance Premium Rebate

<Current Date>

<Subscriber First Name> <Subscriber Last Name>

<Subscriber Address 1>

<Subscriber Address 2>

<Subscriber City>, <Subscriber State> <Subscriber Zip>

Re: Health Insurance Premium Rebate for Year 2024; Policy <Policy Number>

Dear <Subscriber First Name> <Subscriber Last Name>:

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 Harvard Pilgrim Health Care to issue a rebate to you if Harvard Pilgrim Health Care does not spend at least 80% percent of the premiums it received on health care services, such as doctors and hospital bills, and on 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 at: [www.healthcare.gov/health-care-law-protections/rate-review/](http://www.healthcare.gov/health-care-law-protections/rate-review/) and [www.cms.gov/CCIIO/Programs-and-Initiatives/Health-Insurance-Market-Reforms/Medical-Loss-Ratio](http://www.cms.gov/CCIIO/Programs-and-Initiatives/Health-Insurance-Market-Reforms/Medical-Loss-Ratio).

The Affordable Care Act allows States to require health insurers to meet a higher ratio. Massachusetts sets a higher Medical Loss Ratio standard, so Harvard Pilgrim Health Care must meet a 88% Medical Loss Ratio, meaning that 88% of premiums must be spent on medical services and activities to improve healthcare 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 is calculated based on total premiums and claims of all individuals insured by an insurer in a state, using a three-year average. It is not based only on your premiums and claims. In Massachusetts, from 2022 to 2024, Harvard Pilgrim Health Care spent on average only 87.6% of premium dollars on health care and activities to improve health care quality. Since it missed the 88% target by 0.4%, Harvard Pilgrim Health Care must rebate 0.4% of a total of \$926,758,963 of its after-tax premium revenue in your market segment. We are required to provide your portion of this rebate to you by September 15, 2025, or apply it to your premium that is due no later than September 15, 2025.

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We are enclosing a check.

**Need More information?**

If you have any questions about the Medical Loss Ratio and your health insurance coverage, please contact Harvard Pilgrim Health Care toll-free at **1-877-907-4742** or **[www.harvardpilgrim.org/MLRrebate](http://www.harvardpilgrim.org/MLRrebate)**.

Sincerely,

A handwritten signature in black ink, which appears to read "Patrick Gilligan", is positioned below the word "Sincerely,".

Patrick Gilligan  
Chief Executive Officer  
Point32Health