Blue Cross Blue Shield of Massachusetts Will Issue Premium Rebates to Eligible Members

BOSTON — August 22, 2022 — Blue Cross Blue Shield of Massachusetts (Blue Cross) today announced that small employers and individual policyholders who were covered in 2021 under a Blue Cross HMO medical plan are eligible for a rebate of a portion of their health insurance premiums.

Under the Affordable Care Act (ACA) and Massachusetts law, health plans are required to spend a certain percentage of the revenue they receive in premiums on the care of their members, such as doctors and hospital bills, and activities to improve health care quality, such as efforts to improve patient safety. This is called Medical Loss Ratio, or MLR. By law, if an insurer's MLR is below the requirement, the company must issue rebates to the companies and people they insure, based on the amount they paid in premiums during the previous year. Massachusetts has the most rigorous MLR requirements in the country, with a requirement that 88 percent of the premium dollar (for small groups and individuals) be spent on members' care.

"We set rates each year based on anticipated costs for our members' medical care and we work hard to keep our operating expenses low," said Andreana Santangelo, Blue Cross' chief financial officer. Santangelo added that this is the first time since the ACA was implemented that Blue Cross will pay mandated rebates. "For the past 10 years, we've exceeded state and federal requirements by spending more than 90 percent of every premium dollar on our members' medical care," she noted. "However, the volatility in claims related to the COVID pandemic has been difficult to project and has triggered a rebate."

Approximately 14,000 Blue Cross small employer policyholders and 20,000 individual policyholders will receive rebates totaling more than $13 million. Amounts will vary by policy, and policyholders will receive their rebates as credits on their invoices generated in September 2022 or receive a check for those not currently active.

Blue Cross issued more than $100 million in voluntary premium relief in August 2020 as a result of lower than anticipated health care costs during the early months of the pandemic.

About Blue Cross Blue Shield of Massachusetts
Blue Cross Blue Shield of Massachusetts (bluecrossma.com) is a community-focused, tax-paying, not-for-profit health plan headquartered in Boston. We are committed to the relentless pursuit of quality, affordable and equitable health care with an unparalleled consumer experience. Consistent with our promise to always put our members first, we are rated among the nation's best health plans for member satisfaction and quality. Connect with us on Facebook, Twitter, YouTube and LinkedIn.