Early Warning Report Shows Medical Loss Ratio Aggregation Sets

UnitedHealthcare has provided an “Early Warning Report” on where medical loss ratio (MLR) rebates are forecasted to be paid to group and individual policyholders. The results indicate that the rebate payout is forecasted to ultimately equal less than 1% of total premium for 2011. View the Group report.

Policyholders were aggregated by group size, state of contract issuance and legal entity into Aggregation Sets for the purpose of calculating MLR.

States Affected
Rebates for fully insured group business are forecasted in 56 Aggregation Sets in 30 states, the District of Columbia and the Virgin Islands. Individual business is on a separate report and shows rebates are forecasted to be due to 30 Aggregation Sets in 25 states.

In the Small Group category, there are 26 Aggregation Sets due a rebate in 21 states, the District of Columbia and the Virgin Islands. Large Group has 30 sets due a rebate in 21 states and the District of Columbia.

Twelve states and the District of Columbia may have Aggregation Sets in both Small Group and Large Group which are eligible for a rebate.

There are 20 states in which UnitedHealthcare will not be paying any rebates for group employer insured business: Alaska, Delaware, Hawaii, Idaho, Indiana, Kansas, Maine, Massachusetts, Michigan, Minnesota, Montana, New Hampshire, New Mexico, North Dakota, Oregon, Pennsylvania, Rhode Island, South Dakota, Vermont and Wyoming.

Calculations
Each insurer does its own calculations for MLR, which means that customers may hear that rebates are being paid in their state or states, but UnitedHealthcare might not be one of the companies liable for rebates in that location.

For more information, please contact your UnitedHealthcare or Oxford representative.