



RE: Health Insurance Premium Rebate for Year 2018; [Member Policy #XXXXXXX]

This letter is to inform you that you will receive a rebate of a portion of your 2018 health insurance premiums. This rebate is required by the Affordable Care Act – the health reform law.

The Affordable Care Act requires Common Ground Healthcare Cooperative to issue a rebate to you if Common Ground Healthcare Cooperative does not spend at least 80 percent of the premiums it 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 requirement, which applies to every consecutive three-year period, 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 three-year basis. Common Ground Healthcare Cooperative did not meet the Medical Loss Ratio standard for the 2016 - 2018 period. Between 2016 - 2018, Common Ground Healthcare Cooperative spent only 76.6% of a total of \$783,074,948 in premium dollars on health care and activities to improve health care quality. Since it missed the 80% by 3.4% of premiums received, Common Ground Healthcare Cooperative must rebate 3.4% of your 2018 health insurance premium. We are required to provide this rebate to you by September 30, 2019. We are sending a check separately from this letter.

Need more information?

If you have any questions about the Medical Loss Ratio and your health insurance coverage, please contact Common Ground Healthcare Cooperative toll-free at 833-605-0324 or info@commongroundhealthcare.org.

Sincerely,

A handwritten signature in black ink that reads "Cathy Mahaffey".

Cathy Mahaffey
Chief Executive Officer
Common Ground Healthcare Cooperative