



Questions and Answers Regarding your Premium Rebate

Q. Why will I receive a check from Common Ground Healthcare Cooperative (CGHC)?

A. Health insurance companies are required to send rebates under the Affordable Care Act when they do not spend 80% of the individual policyholders' premiums on medical and pharmacy costs or quality improvement expenses. In the 2018 plan year, CGHC did not spend at least 80% of premiums on these expenses; therefore, individual policyholders who were enrolled with us in 2018 will receive a rebate check.

Q. How and when will I receive the check?

A. We will mail checks to you before September 30, 2019.

Q. Can I really cash the check?

A. Yes, this money belongs to you.

Q. Are there any requirements on what I have to use the money for?

A. No, you can cash the check and use the money for anything you see fit.

Q. Does the fact that rebates were paid mean that CGHC intentionally overcharged their members in 2018?

A. No. Premiums are typically set far in advance of when they take effect. In setting prices, we project the expected cost of medical claims based on the best information we have available, and that does not perfectly predict future results.

Q. I don't have your health insurance any more. Should I have received a check and is it ok if I cash it?

A. If you had our health insurance for any portion of 2018, you are eligible to receive a rebate, so yes, you may cash the check.

Q. How was my rebate calculated?

A. We took the total amount of money available for rebates and then calculated the percentage owed to each policyholder based on the amount of premium they paid in 2018. The rebates are sent only to the named policyholder on the plan, not spouses or dependents.

Q. What is a health quality initiative?

A. Health insurance companies may include in the MLR calculation their costs for certain quality initiatives designed to improve the health of their members. Examples may include case management services by a nurse and wellness activities (such as smoking cessation classes).

Q. According to the enclosed notice, I think I should get a higher rebate.

A. The formula we used is mandated by the federal government. Neither you, nor CGHC, can change the amount.

Q. Are rebates considered taxable income? Do I have to cash the check if it's going to mess up my taxes?

A. We are not qualified to provide tax guidance to you. Please talk with your tax advisor to know for certain. You should explain that the check is a Medical Loss Ratio (MLR) rebate check and not a patronage capital check if you are asked. The IRS also offers a free tax assistance hotline at 800.829.1040. You must ask your tax advisor or the IRS about doing something other than cashing the check. CGHC cannot answer any tax questions for you.

Q. Could you have simply credited my account? Why did you mail checks?

A. Not all 2018 policyholders are enrolled in our plan in 2019; therefore, we made the decision to issue checks to our members.