

§4319. Rebates

1. Rebates required. Carriers must provide rebates in the large group, small group and individual markets if the medical loss ratio under subsection 2 is less than the minimum medical loss ratio under subsection 3.

[PL 2019, c. 5, Pt. A, §23 (AMD).]

2. Medical loss ratio. For purposes of this section, the medical loss ratio is the ratio of the numerator to the denominator as described in paragraphs A and B, respectively, plus any credibility adjustment. For the purposes of this subsection:

A. The numerator is the amount expended on reimbursement for clinical services provided to enrollees and activities that improve health care quality; and [PL 2011, c. 90, Pt. D, §5 (NEW).]

B. The denominator is the total amount of premium revenue excluding federal and state taxes and licensing and regulatory fees paid and after accounting for payments or receipts for risk adjustment, risk corridors and reinsurance pursuant to federal law. [PL 2011, c. 90, Pt. D, §5 (NEW).]

[PL 2019, c. 5, Pt. A, §23 (AMD).]

3. Minimum medical loss ratio. The minimum medical loss ratio is:

A. In the large group market, 85%; [PL 2011, c. 90, Pt. D, §5 (NEW).]

B. In the small group market, 80%; and [PL 2011, c. 90, Pt. D, §5 (NEW).]

C. In the individual market, 80%. [PL 2019, c. 5, Pt. A, §23 (AMD).]

[PL 2019, c. 5, Pt. A, §23 (AMD).]

4. Rules. The superintendent may adopt rules to implement this section in a substantially similar manner as required under the federal Affordable Care Act in effect as of January 1, 2019, including, but not limited to, rules establishing the period for which the medical loss ratio is calculated. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

[PL 2019, c. 5, Pt. A, §23 (NEW).]

SECTION HISTORY

PL 2011, c. 90, Pt. D, §5 (NEW). PL 2019, c. 5, Pt. A, §23 (AMD).

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