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May 20, 2020

Blue Cross to return more than \$100 million to insured customers and members for medical, dental and vision premiums



What you need to know

The entire health care system has been disrupted by the COVID-19 pandemic. People aren't using health care services the way they normally do. And, due to that fact, Blue Cross Blue Shield of Michigan has seen fewer-than-normal claims for medical, dental and vision services. As a result, we'll return more than \$100 million to our fully insured group customers with medical coverage, Blue DentalSM and Blue VisionSM coverage, as well as our Medicare Advantage and Medicare Supplement subscribers.

In addition, we've filed low rate increases with the Michigan Department of Insurance and Financial Services for our fully insured small group customers for 2021 renewals.

How it will work

Our fully insured group customers with 50 or fewer employees will receive a 30% credit on their July premium invoices. In addition, Blue Cross has filed small group rates with state regulators that average 0.9% more for PPO plans and 1.9% for HMO plans.

In addition, individual health plan subscribers from 2019 will receive a one-time medical loss ratio, or MLR, rebate in September because of lower-than-expected health care claims.

Because many people haven't been able to see their dental or vision providers during the pandemic, fully insured group customers with Blue Dental and Blue Vision will receive a one-month premium credit on their July invoice. We also won't increase rates for fully insured group customers who renew dental and vision plans for 2021.

Our individual Medicare Supplement (Medigap) and individual Medicare Advantage members — who have plans with a premium above \$0 — will receive a 15% premium credit for the months of March and April. This will be applied to their July premium bill.

Note: Agent commissions won't be negatively impacted by the premium credits.

Blue Cross will continue to monitor claims trends throughout the remainder of the year, affecting potential relief for **2020 individual health plan members** and fully insured **larger group customers** with more than 50 employees. For individual plans, Blue Cross continues to work with the federal Centers for Medicare & Medicaid Services to seek regulatory guidance for potentially issuing some form of financial relief this year — with concern for not jeopardizing members' eligibility for advance premium tax credits if refunds are granted. If claims trends remain lower, the company may take additional actions to provide relief this year to individuals and larger fully insured group customers.

Why we're doing this

COVID-19 has turned the world of medical, dental and vision services upside down. We're constantly monitoring the effects of the pandemic on our customers and members, as well as our business. Given this uncertainty and the economic pressures felt by our customers and members, we've taken a deliberate approach and feel that returning this money back to them now is the right thing to do.

Action item

Share the news release, which will be located [here](#), starting 11:30 a.m. Wednesday, May 20, with your clients.

Questions? Contact your Blue Cross sales representative or managing agent.