

Baker Administration Announces Over \$3 million In Health Insurance Rebates For Small Businesses And Individuals

Small business and individual consumers enjoy savings from state's cost containment efforts

BOSTON - Individual consumers and small group employers in the Commonwealth will benefit from nearly \$3.4 million in rebates from two of the state's health insurers, according to the state's Division of Insurance.

"Our agencies work to protect consumers, and I'm proud of the work the Division of Insurance has done to secure these rebates for consumers and small businesses," said Undersecretary of Consumer Affairs and Business Regulation John Chapman. "With national health care costs on the rise it's critical for the Division of Insurance to make sure Massachusetts small businesses and consumers are getting their money's worth."

The exact amounts of the 2014 rebates will be based on the carrier and plan that participants have purchased. The \$3.4 million in rebates was determined by the Division in concert with the insurance carriers, in consideration of the amounts which carriers spent on health costs.

The rebates reflect a portion of the difference between what the insurance carriers charged in premiums and what they actually spent on healthcare costs in 2014. Under Massachusetts law, health insurers last year must have spent at least 89 percent of the dollars collected from premiums on medical costs. Insurers that spent less than this amount are required to rebate part of the difference back to the individuals and small employer policy holders. The amount to be refunded this year is lower than previous years because in 2014 almost every carrier paid out more than 89 cents of every premium dollar on health care claims.

"These rebates demonstrate our commitment to protect consumers," said Division of Insurance Commissioner Daniel Judson. "We're seeing more claims being covered and in cases where consumers have paid more than their share, they're getting a refund."

In Massachusetts, rebates were calculated by July 31st and are to be paid out to policyholders. Individuals who purchase their own insurance and employers in the small group market which purchase insurance for their employees are eligible for rebates, which may be paid directly or credited toward the cost of future premiums.

Not every Massachusetts insurer owed rebates. Those insurers that spent at least 89 cents of each premium dollar on claims payments are not part of the rebate process. The two carriers paying rebates for 2014 coverage are Tufts Associated HMO and BMC Healthnet Plan.

The Division of Insurance is a regulatory agency within the Office of Consumer Affairs and Business Regulation. Find the Division of Insurance online at www.mass.gov/doi, or on Twitter @MassDOI.

The Office of Consumer Affairs and Business Regulation is committed to protecting consumers through consumer advocacy and education, and also works to ensure that the businesses its agencies regulate treat all Massachusetts consumers fairly. Follow the Office at its [blog](#), on [Facebook](#) and on Twitter [@Mass_Consumer](#).

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