



NEWS RELEASE

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Blue Cross and Blue Shield of Minnesota

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Blue Cross and Blue Shield of Minnesota Announces \$70 Million in Premium Relief and Rebates

(Eagan, Minnesota) August 14, 2020 — Blue Cross and Blue Shield of Minnesota and Blue Plus (Blue Cross) today announced plans to provide more than \$38 million in premium relief for thousands of Medicare members, individual and family plan members, and fully insured businesses throughout the state. All of these one-time credits, which will range from 10 percent to 25 percent, will be applied to an upcoming monthly bill before the end of 2020. Additionally, Blue Cross recently completed an accelerated mailing of rebate checks totaling more than \$31 million to thousands of members who had individual and family coverage with the insurer in 2019. The combined \$70 million in financial relief comes at a time when many Minnesota residents and employers continue to face significant challenges resulting from the economic downturn that began with the onset of the COVID-19 pandemic.

Premium Credits for Employers

Due to pandemic-related postponements of elective procedures and other delays in non-emergency health care, many businesses saw a significant decrease in the use of medical benefits among their employees. In response to this unexpected decrease of covered care, Blue Cross is providing a one-month premium relief credit of 20 percent for more than 9,000 small and large companies throughout Minnesota. Most of these businesses will see the credit applied to their October billing cycle. This one-time reduction will save fully insured employers approximately \$22 million in medical, dental and vision plan premium costs.

Premium Credits for Medicare and Individual and Family Plan Members

All eligible Medicare members (Medicare Advantage, Medicare Supplement and Medicare Cost) will be given a one-time premium credit that represents a 10 percent to 25 percent return of two months' worth of premiums from earlier in the year, when access to non-emergency care was at its most restricted due to the pandemic.

Additionally, eligible individual and family plan members will be given a one-time premium credit that represents a 20 percent return of a previous month's coverage payment from earlier in the year.

The combined credits for Medicare members and 2020 individual and family plan members total more than \$16 million in premium relief for Minnesotans who do not get health insurance through an employer.

Accelerated Completion of Rebates for Individuals with Coverage in 2019

Under the Affordable Care Act (ACA), insurance companies are required to spend at least 80 percent of premiums collected on health care services, such as doctor and hospital bills, and activities to improve health care quality, such as efforts to improve patient safety. Adherence to this rule is evaluated on an annual basis. When the 80 percent standard is not achieved, the difference is rebated back to members, based on the amount they paid in premiums during the previous year.

Checks for premium rebates are typically mailed out in September. As a result of COVID-related flexibility in federal requirements for issuing 2019 rebates, Blue Cross was able to accelerate its process and mail more than 25,000 checks totaling more than \$31 million by the end of July. The recipients were Minnesotans who enrolled in and paid for Blue Cross individual and family plans at any point last year.

“We continue to sharpen our focus and look for additional opportunities to be there for our members and employer groups through these dual public health and economic crises,” said Dr. Craig Samitt, president and CEO of Blue Cross and Blue Shield of Minnesota. “While there is no one solution to address the many challenges and uncertainties we now face, Blue Cross will continue to live by our nonprofit mission of helping our communities be strong, safe and healthy.”

The premium credits and accelerated rebate payments are the latest examples of Blue Cross’ ongoing efforts to ensure members can access high-quality and affordable care during the COVID-19 pandemic. Previously announced initiatives include:

- Waiving all copay, coinsurance and deductible costs for COVID-19 tests and related treatment for fully insured members and eligible self-insured members through 2020
- Waiving all cost-sharing for in-network primary care, mental health and substance use office visits for Medicare Advantage members through 2020
- Accelerating approximately \$80 million in advance payments to providers for quality and cost standards achieved in 2019
- Encouraging the use of virtual care by waiving all costs for services provided through Doctor On Demand for three months, while simultaneously expanding all telehealth coverage to include many additional services that have traditionally been provided in a clinic setting

For more information on Blue Cross’ response to COVID-19, visit bluecrossmn.com/coronavirus.

About Blue Cross and Blue Shield of Minnesota

Blue Cross and Blue Shield of Minnesota, with headquarters in the St. Paul suburb of Eagan, was chartered in 1933 as Minnesota’s first health plan and continues to carry out its charter mission today: to promote a wider, more economical and timely availability of health services for the people of Minnesota. A nonprofit, taxable organization, Blue Cross is the largest health plan based in Minnesota, covering 2.9 million members in Minnesota and nationally through its health plans or plans administered by its affiliated companies. Blue Cross® and Blue Shield® of Minnesota and Blue Plus® are nonprofit independent licensees of the Blue Cross and Blue Shield Association, headquartered in Chicago.