



# Insurance Department

State of Utah

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*Commissioner*

## BULLETIN 2011-7

**To:** Health Insurance and Health Maintenance Organizations  
**From:** Neal T. Gooch, Utah Insurance Commissioner  
**Date:** November 16, 2011  
**Subject:** **Notice Regarding Medical Loss Ratio Reporting and Calculation of Rebates for Small Employer Health Benefit Plans**

This Bulletin is directed to all insurers writing group health benefit plans, as defined by Utah Code Annotated (UCA) § 31A-1-301. This Bulletin is intended to provide notice of the State's election relating to implementation of new federal medical loss ratio (MLR) requirements for health benefit plans in the Utah small group market.

Under the new federal MLR rules, the term "small employer" means, in the context of a group health plan within a calendar year and a plan year, an employer who on business days employed an average of at least 1 but not more than 100 employees during the preceding calendar year and who employs at least 1 employee on the first day of the plan year. This is different than Utah Code Annotated § 31A-1-301 which defines "small employer" as an employer who, with respect to a calendar year and a plan year, employed an average of at least 2 employees but not more than 50 eligible employees on each business day during the preceding calendar year and employs at least 2 employees on the first day of the plan year.

The definition of a small employer in Utah law remains applicable to all state insurance regulation other than reporting of MLR to the Secretary of Health and Human Services and calculation of policyholders' rebates. Accordingly, the standard in Utah for purposes of MLR reporting and calculation of rebates to policyholders for the 2011 reporting year, as required by the new federal MLR rules, is "an employer who employed on average at least 1 but not more than 100 employees on business days during the preceding calendar year and who employ at least 1 employee on the first day of the plan year."

Questions regarding this Bulletin should be addressed to Tanji Northrup, Assistant Commissioner who can be reached at [tnorthrup@utah.gov](mailto:tnorthrup@utah.gov). Answers to questions concerning the federal law can be found at [http://www.healthcare.gov/news/factsheets/medical\\_loss\\_ratio.html](http://www.healthcare.gov/news/factsheets/medical_loss_ratio.html).

**DATED** this 16<sup>th</sup> day of November, 2011.

Neal T. Gooch  
Insurance Commissioner