

Medical Loss-Ratio Requirements

What is Medical Loss Ratio?

Beginning in June 2012, the healthcare reform law will require that insurers report the proportion of premium revenue spent on clinical services and quality improvement activities. Insurers must provide rebates if their medical-loss utilization falls below 85% for plans with over a hundred enrollees and 80% for smaller plans and individual policies.

$$\text{MEDICAL LOSS RATIO} = \frac{\text{Payments for Clinical Services} + \text{Quality Improvement Activities}}{\text{Premium Revenue} - \text{Taxes and Fees}}$$

How Can HCSpecialists Help Plans Meet this Requirement?

In 2011, health plans must identify programs that improve health outcomes and reduce non-clinical costs. **HCSpecialists works in collaboration with health plans to design and implement the quality improvement activities that have been specified in federal regulations**, including:

- Discharge programs
- Prospective utilization review
- Evidence-based clinical practice
- Wellness and health promotion
- Coaching on chronic diseases
- Population-directed case management

Why Collaborate with HCSpecialists?

HCSpecialists has developed, and can help plans implement, cost-saving quality improvement activities to meet the criteria necessary for classification as medical loss. Our solutions are:

- Designed to measurably improve health outcomes
- Directed to individuals or identifiable segments of enrollees
- Grounded in evidence-based clinical practice or accepted quality standards

HCSpecialists is a California-based business collaborating with healthcare organizations to optimize resources and improve patient outcomes. We tailor evidence-based best practices in behavioral health to the specific needs of local and national healthcare plans, insurers, providers, and leaders in public health.

For more information about how **HCSpecialists can help your plan achieve compliance with medical-loss ratio requirements**, please visit our website, www.hcspecialists.com, or email info@hcspecialists.com.