



HUMAN RESOURCES

Arlington Public Schools
1426 N. Quincy St., 4th Floor Arlington, VA 22207
Telephone: 703-228-6101 Fax: 703-841-2138 www.apsva.us/benefits

October 27, 2017

Employee First and Last Name
Home Address Line #1
Home Address Line #2
City, State Zip

Re: Kaiser Permanente and Health Insurance Premium Rebate for Year 2016

Dear APS Employee,

You are receiving this letter in response to the letter Kaiser Permanente mailed to your home address regarding the Health Insurance Premium Rebate.

As Kaiser Permanente's letter states, the Affordable Care Act requires Kaiser Permanente to rebate part of the premiums it received if it does not spend at least 85 percent of the premiums Kaiser Permanente receives on health care services, such as doctors and hospital bills, and activities to improve health care quality, such as efforts to improve patient safety. No more than 15 percent of premiums may be spent on administrative costs such as salaries, sales, and advertising. This is referred to as the "Medical Loss Ratio" standard or the 85/15 rule. The 85/15 rule in the Affordable Care Act is intended to ensure that consumers get value for their health care dollars.

The letter further states the Medical Loss Ratio is calculated on a State by State basis and in Virginia, Kaiser Permanente did not meet the 85/15 standard and must give back to the employer a percentage of the health insurance premiums paid by the employer.

Arlington Public Schools is applying the rebate received from Kaiser Permanente in the following manner: APS is reducing premium for the upcoming year

To provide some background, Arlington Public Schools received a 2.15% renewal rate increase from Kaiser Permanente. However, Arlington Public Schools is not passing the 2.15% rate increase to employees. In fact, when comparing 2017 payroll deductions to 2018 payroll deductions, full-time employees are receiving a slight payroll deduction decrease.

If you have any questions, please contact me at 703-228-2881 or christy.laschen@apsva.us.

Sincerely,

Christy Laschen
Benefits Administrator
Arlington Public Schools