



CALIFORNIA  
HEALTHCARE  
FOUNDATION

# How to Use the California Medical Loss Ratio Database

CALIFORNIA HEALTH CARE ALMANAC FACT SHEET

The MLR database is a good resource for understanding the commercial health insurance market. It can be used for computing the MLR and determining if an insurer owes a rebate. Also, it can reveal the size of the state's insurance market, in enrollees and premium dollars; the average premium being collected per enrollee; and the percent of premium spent on sales commission. Over time, it shows market growth and the percent increase in premiums on a per-enrollee basis.

## Information Included in the MLR Database

### Rebates

- ▶ How much money was rebated?
- ▶ What percent of insurers owed a rebate?
- ▶ What was the average dollar amount of rebates per enrollee?
- ▶ How many enrollees did the rebates cover?
- ▶ What portion of total enrollment did the rebates cover?
- ▶ Which insurers owed rebates and how much were the rebates?
- ▶ When a rebate was paid, how much of the premium dollar did it account for?
- ▶ Which market sectors were most affected, e.g., were enrollees with individual or small group coverage more likely to receive a rebate?

### Premiums, Enrollment, or Insurer Traits

- ▶ How large were the individual, small group, and large group markets — in terms of total premiums or enrollees?
- ▶ What was the carrier market share for the individual, small group, and large group sectors?
- ▶ What was the average premium per member per month for each market sector?
- ▶ How many Californians are under not-for-profit coverage, or are covered under insurers regulated by Department of Managed Health Care (DMHC) or California Department of Insurance (CDI)?
- ▶ How much did insurers pay in medical expenses?
- ▶ How much was spent on direct sales expenses and commissions?

### Information Not Included in the MLR Database

- ▶ Product line, such as HMO/PPO
- ▶ Benefit level (e.g., gold, silver, bronze)
- ▶ Profits, underwriting gains/losses
- ▶ Demographics or the risk profile of enrollees

### Information that Is Limited in the MLR Database

- ▶ Health insurance through self-insured employers: only the fees earned and the number of enrollees served by administrative services-only (ASO) contracts are reported
- ▶ Specific government health insurance programs: data related to government insurance programs, such as Medicare and Medicaid, are combined

For a glossary of terms and additional resources, see the companion piece, "What Is the Medical Loss Ratio?" [www.chcf.org](http://www.chcf.org)

### About This Series

The California Health Care Almanac is an online clearinghouse for data and analysis examining the state's health care system. It focuses on issues of quality, affordability, insurance coverage and the uninsured, and the financial health of the system with the goal of supporting thoughtful planning and effective decisionmaking. Learn more at [www.chcf.org/almanac](http://www.chcf.org/almanac).

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