



2020 Tax Year Premium Rebates

Member Frequently Asked Questions

VIRGINIA PREMIER INDIVIDUAL & FAMILY PLAN SUBSCRIBERS

1. Why did I get a check?

You received a check because you were covered by a Virginia Premier Individual & Family Plan at some point during the 2020 calendar year AND premium payments were made on your behalf, whether by the subscriber, the government via the Advanced Premium Tax Credit (APTC), or a third-party entity (for example, the Virginia Department of Health). Virginia Premier is required to reimburse a portion of the premium to members when it does not spend at least 80% of premium dollars on medical expenses and certain quality improvement activities.

2. What is the affiliation with Optima Health?

In 2020, Virginia Premier became part of Sentara Healthcare and joined Optima Health Plan as a separate health plan issuer under Sentara Healthcare. Virginia Premier no longer offers individual plans and beginning January 1, 2021, outstanding operations transferred to Optima Health.

3. How are rebates calculated?

The U.S. Department of Health and Human Services (HHS) issued detailed instructions to health insurers for calculating MLR rebates. In its simplest form, MLR rebates are calculated by taking the amount spent on medical claims and qualified health quality initiatives and dividing it by the premiums collected, minus certain federal and state taxes and fees. Virginia Premier files its calculations with all applicable regulatory agencies—HHS, the National Association of Insurance Commissioners (NAIC), and state regulatory agencies in our service area—as required by law.

4. Is there a tax consequence for this refund?

Please consult a tax expert on whether this income is taxable or not. Virginia Premier cannot provide tax guidance.

5. Does the fact that rebates were paid mean that Virginia Premier overcharged their members?

No. Premiums are typically set far in advance of when they take effect. In setting prices, insurers project the expected cost of medical claims based on the then-current cost trends, which do not perfectly predict future results.

6. I had a Marketplace plan and received a subsidy in 2020. Will my refund be calculated into my yearly income/subsidy reconciliation with the Marketplace?

If you had a subsidy in 2020, you may have to report the rebate on your tax return. Please consult your tax advisor or the Internal Revenue Service (IRS) for questions. The IRS has some frequently asked questions posted on its [website](#).

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7. My check is for more than the amount of premium I paid out of pocket because I received a subsidy. Why can't you refund the government their portion?

Your check is correct. The calculation the government requires includes both the member's portion of the premium plus any subsidy you received from the government. CMS regulations require companies to issue refunds directly to the members, including the subsidy. Unfortunately, Virginia Premier has no mechanism to return funds to the government.

Since you received a subsidy, you may have a tax consequence on your tax return. Although we can't advise you on your taxes, we can suggest you reach out to a tax professional or the IRS for how to report this on your tax return. Virginia Premier did not issue 1099s for individuals who received a rebate.

8. Will I be taxed on this refund?

Please speak with a tax professional or the IRS for information on how to treat the rebate. Virginia Premier will not issue 1099s related to this check. The letter you received was a required government form letter. You can still cash the check, but you may want to set aside some money in case there is a tax implication.

9. When will my check arrive?

Checks for the 2020 year rebate will be mailed September 20–24, 2021. Please allow four weeks for delivery prior to contacting the email address. Reissued checks take approximately two to three weeks to process in our office. Please allow six weeks from the validation of your email for delivery.

Checks will be delivered by the U.S. Postal Service. Tracking of these checks is not available.

10. Can I come pick up my check?

To protect the health and safety of our members and employees, we cannot allow access to our buildings at this time.

11. Can my money be sent to me electronically?

Unfortunately, we do not have a way to electronically send money at this time.

12. What should I do if I didn't receive my first check?

Please send a **secure** email to VPMLRrebate@sentara.com for assistance. Please provide the following:

- subscriber's full name
- subscriber's member ID number or the last four digits of the subscriber's SSN
- subscriber's birthdate
- mailing address—please include the original address if it changed since 2020

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13. Whom do I contact at Virginia Premier if I have any questions about my check?

Please send a **secure** email to VPMLRrebate@sentara.com or call 1-877-739-1370 for assistance. Please provide the following:

- subscriber's full name
- subscriber's member ID number or the last four digits of the subscriber's SSN
- subscriber's birthdate
- mailing address—please include the original address if it changed since 2020

If the subscriber is deceased, please provide the above information, a copy of the death certificate, the legal documentation naming the executor of the estate, and the proper name to whom we should make the check payable.

If a subscriber had a name change since 2020, please provide the above documentation, the legal documentation supporting the name change, and the proper name to whom we should make the check payable.