

PRESS RELEASE

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Proposed Regulations Will Help To Avoid Unreasonable Health Insurance Premium Increases

Today the U.S. Department of Health and Human Services released proposed regulations that will require health insurers to justify their high premium increases and help keep insurance affordable for policy holders. The following is the statement of Ron Pollack, Executive Director of Families USA on the new regulations:

"Today, thanks to the Affordable Care Act, insurance companies will no longer be able to seek skyrocketing health insurance premiums without public scrutiny. No longer will the insurance industry be able to operate in a wild, wild west through unreasonable premium increases without any accountability for their actions.

"Before deciding whether a high premium increase will be approved, states and consumers will now have the information they need to challenge the increase and hold insurance companies accountable for unreasonable consumer premium price gouging. With the new regulations, states will now examine the size of a premium increase and whether the insurer is using reasonable assumptions about their underlying costs. This review means insurance companies can't use an unreasonable premium increase – paid out of the pockets of consumers and employers - to accumulate profits.

"High premium increases will no longer be a done deal before consumers know what is coming. Under the new regulations, the public must be given timely and detailed information about proposed high rate increases. Families and businesses will benefit from a new and transparent review process, just as they will benefit from rules announced one month ago that requires insurance companies to spend 80 to 85 cents of every premium dollar they collect on medical care and quality care improvements.

"Families USA will be submitting comments to HHS on the proposed rules, working to ensure that consumers can weigh in on proposed increases, that the lowest possible threshold of increases will require review and justification, and that all review processes are strong."

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Families USA is the national organization for health care consumers. It is nonprofit and nonpartisan, and its mission is to secure high-quality, affordable health coverage and care for all Americans.