

PRESS RELEASE

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***New HHS Rules Ensure that Most of Consumers' Health Care Premium Dollars
Will Actually Provide Health Care***

Families USA: Rules Will 'Fill a Hole in Consumer Protections'

This morning Health and Human Services Secretary Kathleen Sebelius announced rules that define how the "medical loss ratios" in the Affordable Care Act will work to lower insurance premiums. These rules require insurance companies to spend 80 or 85 cents of every premium dollar they collect on medical care and medical care improvements (80 percent in the individual and small group plans; 85 percent for the large group plans).

The following is the statement of Kathleen Stoll, Deputy Executive Director of Families USA:

"Today, thanks to the Affordable Care Act, we can celebrate another very important milestone for consumer protection and insurance company accountability – one that gives consumers more power to demand real value and health security when they buy insurance coverage.

"These new rules fill a hole in consumer protections in the majority of states. The rules make sure that, in every state, the lion's share of consumers' premiums will be used for quality medical services rather than be pocketed by insurance companies for CEO salaries, advertising, administrative costs, and profits.

"The new required premium-to-medical care ratio rules were drafted by the National Association of Insurance Commissioners (NAIC) through a long, careful process that was transparent and allowed consumers and all interested stakeholders a place at the table and an opportunity to voice their concerns. The resulting recommended rules represent a fair balance of interests, and we are very pleased that HHS has adopted the NAIC recommendations."

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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.

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