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CONTACT:

[Larry McNeely](mailto:Larry.McNeely@pirg.org)

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Mobile: 571-246-7063

Office: 202-546-9707 x303

LMcNeely@pirg.org

Tweeting [@HealthCarePIRG](https://twitter.com/HealthCarePIRG)

New HHS Rule Will Direct Premiums to Care, Not Insurer Bureaucracy

*Statement of U.S. PIRG Health Care Advocate Larry McNeely on new medical-loss regulations
from the U.S. Department of Health and Human Services (HHS)*

“The new rule on insurance medical loss ratios announced today represents a real step forward for consumers.

“When Americans put their hard-earned dollars into a health insurance policy next year, at least 80% of their premiums will have to go to patient care, not just insurance company administrative costs, or the insurer must refund the difference.

“The nearly 75 million American consumers who will be affected by these rules can rest easier knowing that the premiums they pay month in and month out will actually go to better care, not just higher margins for their insurance company. And insurers will have a new incentive to focus on greater efficiency and delivering better value for their beneficiaries.

“Secretary Kathleen Sebelius and the HHS team deserve credit for insisting on strong consumer protections, despite an intense lobbying push from the insurance industry.”

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