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Health care law saved an estimated \$2.1 billion for consumers

The health care law – the Affordable Care Act – has saved consumers an estimated \$2.1 billion on health insurance premiums according to a new report released today by the Department of Health and Human Services. For the first time ever, new rate review rules in the health care law prevent insurance companies in all states from raising rates with no accountability or transparency. To date, rate review has helped save an estimated \$1 billion for Americans. Additionally, the law's Medical Loss Ratio (or 80/20) rule is helping deliver rebates worth \$1.1 billion to nearly 13 million consumers.

"The health care law is holding insurance companies accountable and saving billions of dollars for families across the country," Secretary Sebelius said. "Thanks to the law, our health care system is more transparent and more competitive, and that's saving Americans real money."

Beginning Sept. 1, 2011, the health care law implemented federal rate review standards. These rules ensure that, in every state, insurance companies are required to publicly submit for review and justify their actions if they want to raise rates by 10 percent or more.

To assist states in this effort, the Affordable Care Act provides states with Health Insurance Rate Review Grants to enhance their rate review programs and bring greater transparency to the process. 42 states have used their rate review grant funds to make the rate review process stronger and more transparent.

These rules have brought more transparency and accountability to our health insurance marketplace and saved money for consumers. The report released today shows that because of rate review, consumers saved approximately \$1 billion in premiums in the individual and small group markets.

This initiative is one of many in the health care law aimed at saving money for consumers and specifically works in conjunction with the 80/20 rule, which requires insurance companies to generally spend 80 percent of premiums on health care or provide rebates to their customers. Insurance companies that did not meet the 80/20 rule will provide nearly 13 million Americans with more than \$1.1 billion in rebates this year. Americans receiving the rebate will benefit from an average rebate of \$151 per household. The rate review report released today is available at:

<http://www.healthcare.gov/law/resources/reports/rate-review09112012a.html>.

Information on how states are using their rate review grant funds is available at:

<http://www.healthcare.gov/law/resources/reports/rate-review09202011a.pdf>

General information about rate review is available at:

<http://www.healthcare.gov/law/features/costs/rate-review/>

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