

## Murphy Applauds New Guidelines to Ensure Insurance Premium Payments Go To Care, Not Excessive Profits

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For Immediate Release

November 23, 2010

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WASHINGTON, D.C. - Today, Congressman Chris Murphy (CT-5) applauded new regulations issued by the Department of Health and Human Services (HHS) to require health insurers to spend 80 to 85 percent of consumers' premiums on direct care for patients. This regulation, known as the "medical loss ratio" provision of the Affordable Care Act, will also allow consumers the ability to see the medical loss ratios of competing plans before making a coverage choice, providing better value for their money.

"The clock has run out on health insurance companies who too often put profits before care. We know that quality health care can be delivered with lower administrative costs because Medicare is already doing it by spending just 2% on overhead while serving millions of Americans. Health insurance consumers should get more bang for their buck, and these new rules will provide it," said Murphy.

Before Congress passed and President Obama signed the Affordable Care Act, some health insurance companies could spend a substantial portion of consumers' premium dollars on administrative costs and profits, including executive salaries, overhead, and marketing, without any sunlight. Starting in 2011, the law requires that insurance companies publicly report how they spend premium dollars, providing meaningful information to consumers shopping for health insurance coverage. And consumers will receive more value because insurance companies will be required to spend 80 to 85 percent of premium dollars on medical care and health care quality improvement, rather than on administrative costs. If they don't, the insurance companies will have to provide customer rebates starting in 2012.

"Nearly every dollar that we pay for health insurance should go straight into care. Over time, our health care system has gotten bloated and inefficient. We have to get back to basics, and these new rules will put consumers, not profits, first,"

said Murphy.

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