

MEMORANDUM

To: Reporters and Editors

From: Scott Mulhauser and Erin Shields for Senate Finance Committee Chairman Max Baucus (D-Mont.)

Re: Baucus Applauds New Medical Loss Ratio Rule Protecting Consumers

Senate Finance Committee Chairman Max Baucus (D-Mont.) applauded new regulations to protect consumers issued today by the Department of Health and Human Services (HHS) requiring health insurers to issue rebates to consumers if they do not fulfill a requirement to spend at least 80 to 85 percent of the premium dollars they collect delivering and improving the quality of health care services to patients, as opposed to other expenses such as administrative costs or executive bonuses. Baucus fought to include this provision, known as the “medical loss ratio,” in the Affordable Care Act to provide consumers with better value for their premium dollars and to create a more transparent, consumer-friendly insurance marketplace. From Chairman Baucus:

“This rule delivers better health care to individuals and families and more value for every dollar spent on health care, ensuring consumers’ premium dollars are spent on quality care, not insurance company profits. By increasing transparency and making clear how insurers spend premium dollars, health reform helps end insurance companies’ abuses, including unjustified premium increases. Critical protections in the Affordable Care Act, and this rule to implement them, will continue to bring long-awaited relief to consumers.”

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