

PRESS RELEASE

Wednesday, August 24, 2016

GOVERNOR BROWN TO DECIDE IF CONSUMERS WILL BE NOTIFIED OF UNREASONABLE PREMIUM RATES INCREASES

- *California Legislature Passes SB 908 (Hernandez) to Give Consumers Notice of Unreasonable Rates. Bill Passed the Senate Floor, 25-12, on a Concurrence Vote; And Now Heads to Governor's Desk.*
- *State Regulators Now Review Health Insurance Rates; While Unjustified Rates Are Often Retracted, Some Insurers Go Ahead And Charge Unreasonable Rates With No Notice.*
- *Over One Million Californians Unknowingly Have Had To Pay Premiums Deemed Unreasonable By a State Regulator*
- *Bill is Part of Legislative Package Protecting Patients' Rights. Earlier Today, the Legislature Also Passed SB1135 (Monning), on a Bipartisan 28-11 Vote in the Senate, to Inform Patients of Their Rights to Timely Appointments and Medical Interpreters.*
- *Governor Brown Has Until September 30th to Sign or Veto All Bills Sent to Him.*

SACRAMENTO, CA—On a concurrence vote, the California State Senate today affirmed [SB 908 by Senator Hernandez](#). This crucial consumer protection bill ensures that consumers are aware of unjustified premium rate increases and given the opportunity to shop for more affordable options.

"Consumers should not be unaware and then stuck with unjustified premium rate increases, with no way out," said Anthony Wright, executive director of Health Access California, the statewide health care consumer advocacy coalition and sponsor of the bill. "Providing Californians with the right information and allowing them the time to shop around is essential to allowing the market to work. The Governor should not let Californians stay in the dark about their premium rates."

Each year, millions of individual consumers and small business owners shop for coverage or renew the coverage they already have. These purchasers have virtually no way of knowing if the premium for their coverage has been found "unreasonable" or "unjustified" by a state regulator and no chance to shop for other coverage. The individual consumers are then stuck with the

unfair rate for an entire year, until the next open enrollment when they can shop again for another plan.

State regulators current review health insurance rates under the Affordable Care Act and a 2010 state implementing law sponsored by Health Access. A CALPIRG study this year showed that Californians saved over \$417 million in premium as a results of this rate review, as insurers often roll back or retract rates deemed unreasonable. But without rate regulation, insurers are not obligated to abide by regulators' decisions, and in fact some insurers go ahead with rates that are questioned by the Department of Insurance or the Department of Managed Health Care. The CALPIRG study indicated that over one million Californians unknowingly have had to pay rates deemed unreasonable or unjustified, costing Californians as much as \$46 million in just 2015.

SB 908 would require notification to individual consumers and small business owners if regulators have found a rate to be unreasonable or unjustified. Second, the bill also requires that the information is given well enough ahead of an open enrollment period so that they have the opportunity to shop for a plan with rates that are reasonable and justified. The bill now awaits the Governor's signature.

SB 908 becomes the third bill to be sent to the Governor as part of package of patient protections sponsored by Health Access. Also passed by the State Senate today on a bipartisan concurrence vote was SB 1135 (Monning) to give consumers notice of their right to timely access to an appointment as well as a medical interpreter. These two bills also join SB 923 (Hernandez) to prevent mid-year cost-sharing increases, which was sent to the Governor earlier this month. Governor Brown has until September 30th to act on all bills sent to his desk.

Reference materials:

[SB 908 fact sheet](#)

[2016 Patients' Rights Agenda](#)

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About Health Access California

Health Access California is the statewide health care consumer advocacy coalition, advocating for the goal of quality, affordable health care for all Californians. We represent consumers in the legislature, at administrative and regulatory agencies, in the media, and at public forums. For more information, please visit www.health-access.org.

