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For immediate release:

Tuesday, July 19th, 2016

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COVERED CALIFORNIA ANNOUNCES 2017 HEALTH PLANS AND RATES

- *Despite Increases Averaging Below Pre-ACA Annual Double-Digit Rate Hikes, More Reforms Needed to Bring Down Cost of Care and Coverage*
- *Covered California Consumers Should Take Advantage of the ACA Tools Available, Including the Ability to Shop & Compare for a Better Deal, and the Financial Subsidies So 90% Don't Pay More Than a Percent of Their Income*
- *CA Regulators Should Scrutinize These Rates & Plans, Especially Those Consolidating; CA Policymakers Should Pass Reforms to Disclose and Address Health Costs, Including Prescription Drugs Prices with SB1010 (Hernandez), and Unjustified Premium Increases with SB908 (Hernandez), Both Pending in the California Legislature*

SACRAMENTO, CA—Today Covered California, the state health insurance marketplace created under the Affordable Care Act with over 1.5 million Californians enrolled, unveiled the health plans and rates available in 2017. The preliminary average rate increase of 13.2% is higher than the previous two years of 4% hikes, yet the average rate over three years remains lower than the annual double-digit rate hikes prior to passage of the Affordable Care Act.

“While these rates hikes aren’t as bad as the annual double-digit increases before the Affordable Care Act, that’s not much comfort to consumers whose don’t see their paychecks increase by the same percentage. These rates show why California policymakers must continue to work to address the cost of care and coverage,” said Anthony Wright, executive director of Health Access California, the statewide health care consumer advocacy coalition. “California regulators need to scrutinize these rates to make sure they are justified, especially with regard to the cost of care, including the growing price of prescription drugs. We continue to be concerned about the consolidation in health care, and note that the two plans with the double-digit rate increases are the ones with recent or pending mergers.”

These preliminary rates are subject to a 60-day public comment period, during which time they will be reviewed by the California Department of Managed Health Care and the California Department of Insurance. Consumers can submit their comments directly to these state regulators. California is one of only a handful of states with the power to

actively negotiate for the best price and value--including to standardize benefits to facilitate apples-to-apples competition. However, it is also a state that does not have full rate regulation, and can do more to disclose and address health care costs, from unjustified rate hikes to high prescription drug prices.

MANDATE FOR POLICYMAKERS: “These rate hikes increase the urgency for California legislators to act this year on dealing with prescription drugs prices and health care costs in general,” said Wright. “California should at least ensure that consumers facing unjustified rate hikes get notice and the opportunity to shop around, as proposed in SB908 (Hernandez). California can require better notice and disclosure of prescription drug price hikes, to allow for better transparency and negotiation as very expensive specialty drugs enter the market.”

ADVICE FOR CONSUMERS: Until more systemic reforms, consumers have some options available to them: “California consumers should take full advantage of the available subsidies, and the ability to shop around in Covered California, since they are no longer locked into a plan because of pre-existing conditions. We actively encourage Californians to compare: the plan in your region that was the best deal this year may not be the same next year,” said Wright. “Around 90 percent of Covered California enrollees actually are not directly impacted by these rate hikes, but rather get subsidies so their premium is capped at a percentage of their income. Enrollees should double-check to ensure they get this financial assistance. The more premiums rise, the more families will be eligible for this help with affordability.”

About Health Access (www.health-access.org)

Health Access works to secure quality, affordable health care for all Californians. Health Access California is the statewide health care consumer advocacy coalition, advocating for the goal of quality, affordable health care for all Californians.

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