



Hon. Doris O. Matsui
Member of Congress

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HEALTH INSURANCE REFORM

Reforming Insurance Company Practices

California's private insurance market is broken. Under the status quo, insurance companies can deny coverage to people if they have a pre-existing condition, even one as simple as having been pregnant. Insurance companies can also rescind coverage from people after they become sick, which undermines the entire purpose for health insurance in the first place. *These and other egregious practices are some of the reasons why there are approximately 118,000 uninsured people in Sacramento County alone.*

With health insurance reform, it will be illegal for insurance companies to make decisions that are not in the best interests of patient health. Some of the clearest examples of the benefits of health insurance reform for people who need insurance are below:

- **ELIMINATES PRE-EXISTING CONDITION EXCLUSIONS:** It will be illegal for insurance to deny coverage to people based on sicknesses or other conditions they may have had in the past, health status, and gender. *In Sacramento alone, 12,600 people who are uninsured because of pre-existing conditions would receive coverage.*
- **ENDS RESCISSIONS:** It will be illegal for insurance companies to drop people from coverage when they get sick.
- **BANS LIFETIME LIMITS ON COVERAGE:** Health insurers will no longer be able to place lifetime limits on the amount of money they will pay to cover people with costly illnesses.
- **CREATES A CONSUMER-FRIENDLY APPEALS PROCESS:** If insurers deny coverage for any reason, consumers will have guaranteed access to an independent, state-monitored appeals process that will hold insurance companies accountable.
- **FORCES INSURERS TO SPEND PREMIUM DOLLARS ON MEDICAL CARE:** At least 80 percent of premium revenue must be spent by insurers on medical care in the individual and small group markets, while at least 85 percent of premium revenue must go to medical expenses in the large group market.
- **REQUIRES UNPRECEDENTED TRANSPARENCY FROM INSURERS:** Insurance companies will be required to report information on their claims payment policies, enrollment and disenrollment practices, cost-sharing policies, out-of-network policies, and enrollee rights in plain language.