

An Act to Reduce Health Care Costs and Improve Patient Care – SD 525

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The League of Women Voters urges you to support “An Act to Reduce Health Care Costs and Improve Patient Care” – SD 525.

Lead Sponsor: Sen. Bruce Tarr

Purpose of the Bill: This bill attempts to solve the serious problem of too little of each premium dollar paid for health care insurance being spent on actual health care.

It authorizes and directs the Commissioner of the Division of Healthcare Finance and Policy to convene a special commission for the purpose of developing a system to maximize the amount of direct premiums earned which are expended on the provision of care in the Commonwealth consistent with prudent insurance practices and any other relevant issues of commercial practicality.

The work of the commission will provide needed information to determine the most appropriate ratio between payments for health care services and administrative expenses for insurance carriers in the Commonwealth.

Passage of this bill will support the containment of the high cost of health insurance by defining limitations on administrative expenditures, which includes high CEO salaries, marketing, lobbying, and paying staff to deny claims.

