

U.S. House and Senate Notification
Thursday, February 24, 2011

To: Congressional Health Staff

From: Amy Hall, Director, Office of Legislation
Centers for Medicare & Medicaid Services

Re: Nearly \$200 Million Available Help States to Fight Health Insurance Premium Increases

Today, the U.S. Department of Health and Human Services (HHS) announced the availability of nearly \$200 million in new grant funds to help States develop programs to make health insurance premiums more transparent and to give States the power to stop unreasonable premium increases from taking effect.

These grants are the latest tools and resources made available by the Affordable Care Act to protect consumers and employers from large and unreasonable health insurance premium hikes.

Of the new grant funding, \$149 million is available to help States create or enhance their premium rate review programs by ensuring proposed rate hikes are comprehensively reviewed and by bringing greater transparency and openness to the rating process. Approximately \$50 million in additional grant funds are available as “performance” incentives for States that have – or enact – the authority to approve or disapprove rate increases and as “workload” grants for States with larger populations and more health insurers.

These funds build on the \$46 million awarded in August of 2010 to help 45 States and the District of Columbia strengthen their rate review programs. They also complement rules proposed in December of 2010 that require insurance companies to publicly justify unreasonable premium rate increases.

The factsheet and additional information is located here:
<http://www.healthcare.gov/news/factsheets/ratereview02242011a.html>

If you have any questions regarding this announcement, please contact the CMS Office of Legislation.

Thank you.

