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OPPOSITION TO AB 52 GROWS

Agriculture, Regional & Statewide Business Interests Voice Concern with Bill

Sacramento, CA – Opposition to AB 52—proposed health insurance rate regulation legislation—continues to mount as more groups voice dissent to the bill. A growing diversity of interests, including doctors, business, taxpayer and farming groups, are expressing concern that the bill is misguided and will increase employers’ costs, limit coverage choices and hinder patients’ access to medical care.

“AB 52 does nothing to cure the underlying illness plaguing California’s health care system,” said Stuart Waldman, president of the Valley Industry & Commerce Association, which represents hundreds of businesses in Los Angeles’ San Fernando Valley. “It offers no relief from increasing insurance premiums and won’t make health care insurance more affordable for Californians. AB 52 is not an effective solution.”

As the state makes deep cuts in spending, AB 52 will create expensive new government bureaucracies at a cost to consumers of \$30 million a year, according to a recent legislative analysis of the bill.

Nationwide, other states have clearly demonstrated that regulatory structures similar to those proposed by AB 52 have failed to save money or control premium costs. Five out of the 10 states with the highest premiums in the individual market impose price controls on rates.

“Price controls, like those proposed by AB 52, are ineffective market interventions that will do nothing to account for the root causes of increasing premiums,” said Ruben Barrales, president and CEO of the San Diego Regional Chamber of Commerce. “AB 52 is simply unnecessary. New state and federal laws already impose limits on health insurer profits and require rate review. These new regulations must be given an opportunity to work.”

Under AB 52, almost any individual or group is allowed to intervene in an ongoing rate-setting proceeding, and it will require their fees be paid by health insurers. The bill will lead to protracted, costly lawsuits and administrative hearings by offering lucrative financial rewards to lawyers for filing unnecessary legal challenges. AB 52 will serve as a new money-making venture for groups like Consumer Watchdog. Consumer Watchdog has already made more than \$6.7 million from legal proceedings surrounding car insurance regulations, and it stands to gain millions more from AB 52—all at a cost to employers, employees and individuals seeking health insurance.

More than 50 groups have opposed AB 52, including:

- California Medical Association
- California Chamber of Commerce
- California Farm Bureau Federation
- California Taxpayers Association

- California Retailers Association
- California Association of Physician Groups
- Los Angeles Area Chamber of Commerce
- San Francisco Chamber of Commerce
- Orange County Business Council
- Valley Industry & Commerce Association
- San Jose Chamber of Commerce
- San Diego Regional Chamber of Commerce
- Silicon Valley Leadership Group
- Long Beach Area Chamber of Commerce
- Santa Clara Chamber of Commerce
- Chambers of Commerce Alliance of Ventura & Santa Barbara Counties
- Ventura Chamber of Commerce
- Greater San Fernando Valley Chamber of Commerce
- Greater Fresno Area Chamber of Commerce
- Oxnard Chamber of Commerce
- Garden Grove Chamber of Commerce
- Pleasanton Chamber of Commerce
- Greater Corona Valley Chamber of Commerce
- California Manufacturers & Technology Association
- Civil Justice Association of California

Additional information on rate regulation and premiums include: [AB 52 One Page Fact Sheet](#), [AB 52 Fact Sheet](#), [Cost Drivers Fact Sheet](#), [Employer Fact Sheet](#) and [AB 52 Opponents List](#). For more information about CAHP please visit www.calhealthplans.org.

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CAHP is a statewide trade association representing 39 full-service health plans. Through legislative advocacy, education and collaboration with other member organizations, CAHP works to sustain a strong environment in which our member plans can provide access to products that offer choice and flexibility to the more than 21 million members they serve. For more information, please visit www.calhealthplans.org or call (916) 552-2910.