

# Debate Over Prop 45's Proposed Oversight of Insurance Rates Heats up Pre-Election Day

The political fight over [Proposition 45](#) is getting heated as we close in on election day in California. The measure, which would give the Insurance Commissioner greater oversight of health insurance rate increases, was in the spotlight on Wednesday when California Insurance Commissioner Dave Jones [publicly criticized](#) health plan Anthem Blue Cross' rate increase for 120,000 policy holders of small business coverage as "excessive." Pro-Prop 45 advocates used the Commissioner's statement as an example of why greater oversight is needed, while opponents claimed the remarks only highlighted the danger of making insurance rates political fodder.

In less than two weeks, voters in California will decide the fate of the ballot measure that would give new powers to state regulators and impose new requirements on health insurers. If approved by voters, the initiative would: (a) require that health insurance rate changes be approved by the state Insurance Commissioner before they may take effect|(b) require a sworn statement by health insurance companies submitting rate change requests certifying the accuracy of the information they submit to the Insurance Commissioner to justify the rate change|(c) provide for public notice, disclosure, and a hearing on health insurance rate changes, and subsequent judicial review|(d) prohibit health, auto, and homeowners insurers from determining policy eligibility or rates based on lack of prior coverage or credit history|and (e) exempt large group health insurance policies.

Proponents of the initiative hold out Prop. 45 as the missing piece of the federal Affordable Care Act ("ACA"), since the measure addresses rising premiums through more direct regulation of insurance rates. A [report](#) by the California Public Interest Research Group states that since 2011, California health plans have proceeded with 14 rate increases that were deemed excessive by state regulators. According to Consumer Watchdog, a Santa Monica advocacy group which gathered signatures for

the initiative, the rate hikes that could not be blocked have cost Californians approximately \$253 million.

The ballot measure is not without its [detractors](#). Opponents of Prop. 45 argue that the ACA and the new state insurance exchanges make further rate regulation unnecessary, and that the initiative actually undermines those efforts. Healthcare providers and insurance companies have launched a campaign against Prop. 45, with James T. Hay, the president of the California Medical Association stating that “this misguided measure will cause higher rates and lessen access to care, which is why doctors, hospitals and healthcare providers oppose [the] measure.” A [report](#) released by Covered California officials raised questions about the ballot measure related to implementation.

The Source is following developments on Prop 45 as we head towards November 4!