



April 2, 2018

The Honorable Jim Wood, Chair
Assembly Health Committee
State Capitol, Room 6005
Sacramento, CA 95814

RE: AB 2499 (Arambula): Health care coverage: medical loss ratios
AAP-CA Position: Support

Dear Chair Wood:

The American Academy of Pediatrics, California (AAP-CA), representing over 5,000 California pediatricians, strongly supports proposed legislation AB 2499 (Arambula), which would direct more premium dollars towards health care rather than insurance companies' administrative costs and profits.

Rising health care costs, especially health insurance premiums, continue to be a concern for consumers—and a barrier to access for many Californians, including families with children. This represents a grave concern for California pediatricians. Existing regulations on medical loss ratio or MLR standards, which required either 80% or 85% of premium fees to be directed towards medical care, have helped to keep costs from continuing to rise. AB 2499 (Arambula) would codify and preserve these regulations for California children regardless of what happens at the federal level. Additionally, it would improve upon these standards by raising the 80%/85% standards to 85%/90% for the individual market and the large group market, respectively. This would help keep costs low while still allowing insurance companies to make considerable profits.

Pediatrician members of AAP California Chapters 1, 2, 3 and 4 across the state strongly support proposed legislation AB 2499 (Arambula) and respectfully urge an AYE vote. Thank you for your public service and leadership on behalf of the health and wellbeing of children, youth, and families in California.

Sincerely,

A handwritten signature in cursive script that reads "Kris E. Calvin".

Kris Calvin
Chief Executive Officer, American Academy of Pediatrics, California

cc: Honorable Joaquin Arambula, author

Members of the Assembly Health Committee
AAP-CA Leadership; Lobbyist Lydia Bourne