

The Attorney General of California has prepared the following title and summary of the chief purpose and points of the proposed measure:

PROHIBITS HEALTH INSURANCE COMPANIES WITH SPECIFIED FINANCIAL

RESERVES FROM INCREASING RATES. INITIATIVE STATUTE. Prohibits health

insurance companies (including HMOs and PPOs) with more than 100,000 insured members and

financial reserves above specified amounts from increasing consumer rates (including premiums

and out-of-pocket costs) for most policies. Requires insurers with reserves above defined

amounts to report to the Legislature. Requires asset transfers between insurers and related

medical providers to be reported and included in reserve calculations. Prohibits insurers from

increasing reimbursement rates for services by related providers to avoid reporting surplus

reserves, and authorizes Attorney General to investigate such increases. Summary of estimate by

Legislative Analyst and Director of Finance of fiscal impact on state and local government:

Uncertain average annual effects over time on state and local government costs for

employee health coverage, ranging from potential net savings in the short run to potentially

significant net costs in the long run. (17-0048.)