

More than 4,600 Vermonters are due an average \$807 rebate on their health insurance premiums by tomorrow under a provision in the new national health care law, Sens. Patrick Leahy (D-Vt.) and Bernie Sanders (I-Vt.) and Rep. Peter Welch (D-Vt.) said today.

The Vermont average rebate is greater than any other state. In all, 4,636 Vermont policy holders – all covered by CIGNA – are due more than \$2.3 million in rebates under the Affordable Care Act, according to the U.S. Department of Health and Human Services.

The new health care law requires most insurers, beginning this year, to give annual rebates by Aug. 1 if less than 80 percent of the premium dollars they collect go toward medical care. The threshold is 85 percent for insurers covering large employers, companies with more than 50 workers. That's the category that includes all of the Vermont rebates.

"Two of the reform goals of the Affordable Care Act are to direct health care dollars to preventing illness and delivering health care, instead of to marketing and excessive administrative spending. This is another step toward improving quality, affordability and accountability for Vermonters and all Americans," Leahy said.

"One of the reasons that health care costs in the United States are so much higher than the rest of the world is that insurance companies spend too much on administration and profiteering. What we're trying to do is get health care dollars into health care," Sanders said. "This is a good step in that direction."

"It's just common sense that insurance premiums should cover health care expenses for people who get sick," Welch said.

In Vermont, CIGNA is the only health insurer that failed to meet the law's thresholds and owes rebates, according to federal records. No rebates were owed by Blue Cross Blue Shield of Vermont, the major health insurer in the state, or by other Vermont health insurers.

Nationwide, insurers must give back \$1.1 billion to 12.8 million Americans this year. The average rebate is \$151 per household.

Most people get health insurance through their employers, so most of the rebates are being sent to companies. They may distribute the money to workers or use the funds to keep down future premium costs.