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Assemblymember Jones Addresses Health Insurance Issues and Candidacy for Insurance Commissioner

The Progress Report caught up with **Assemblyman Dave Jones** at this weekend's Democratic Convention. Jones is also a candidate for Insurance Commissioner in 2010.

Why are you running for Insurance Commissioner?

“Because we need an Insurance Commissioner who will be an advocate for consumers and will hold the insurance industry accountable. I believe I have the experience, background, skill set, and consumer advocacy necessary to do the job.”

What issues are you most concerned about?

“I’m going to be pushing universal health care reform. I’m a big advocate for single payer universal health care. As we build to that, there are a lot of things that we can do to reform the health insurance market.

I’m carrying legislation this year, AB 119, which bans gender discrimination in the individual health insurance market. It’s absolutely outrageous that in 2009, we have health insurers who are charging women more than men just because they are women.

I’m also carrying other health reform legislation designed to model what we did for auto insurance and apply that to health insurance. Here I’m referring to AB 1218 which is legislation that would provide for rate review for health insurance just as we have for auto insurance with Prop 103. With Prop 103 we went from the highest auto insurance rates in the nation to the middle of the pack. We saved consumers billions of dollars. And insurers are still making money.

We have a situation in the health insurance market where health insurers are driving up premiums dramatically. The money is not all going to health care. It is going to pay for administrative overhead, marketing, executive salaries, and shareholder returns.

One example in particular, Blue Cross took close to one billion dollars out of the California market last year and passed that on to their parent company, WellPoint. That’s a billion dollars in health care premiums that Californians paid that did not go to health care, instead it went to profits for a large company.

I believe we need to provide for oversight of the market, much in the way we do for auto-insurance, we can do the same for health care.”

What would you do differently than the current Insurance Commissioner, Steve Poizner?

“Several things. Number one, I would be an advocate for consumers and improve the consumer protection elements of the office. Number two, I would hold the industry more accountable. Number three, I would make sure that more information is provided to consumers so that they can make better choices about insurance products. Number four, I would use the office as a bully pulpit to advocate for real reform.

We need an insurance commissioner who is going to be actively engaged with the legislature and with the people of California to push for reform. I think there is a tremendous opportunity to

use the office to advance reforms such as universal health care, single-payer, and other reforms that would make a real difference for California.”

Do you see health care as an issue that will be resolved primarily at the federal level or the state level?

“I think we need to resolve it at both levels. I think we here in California can play an important role in informing the debate in Washington, DC about health care reform. If you look at what President Obama is proposing, a lot of that proposal comes out of what we did in California in the last two years when we were debating health care coverage expansion, and health care reform.

One of the things that I think they need to consider is including the sort of proposal that I have in AB 1218 in the national health care model. Because if they don’t, there’s a real risk that if they go forward with an individual mandate, guaranteed issue requirements, and a subsidized pool for insurance, that will happen is exactly what happened in Massachusetts where they’ve did those things. That is, premiums continue to go up as people have been mandate to purchase health insurance. So unless you have some sort of review of the insurance rates, you may very well see nationally the very thing that sort of happened in Massachusetts. So I think we in California have a lot to say and a lot to add about that.

The other thing I think we need to do here in California, is we need to continue to look at important reforms of our market. We can’t just wait for the federal government to ride to the rescue. That’s why I’m pushing very hard on a number of bills that would help reform our market and also participating in the debate at the national level.”