

Feds propose fee on health insurers in new market

November 30 2012, by Ricardo Alonso-Zaldivar

(AP)—Health insurance companies will have to pay to play in new health insurance markets coming under President Barack Obama's health care law.

The federal Health and Human Services department said Friday it is proposing a "user fee" amounting to 3.5 percent of premiums for health insurers who want to offer policies in the new federal exchanges coming in 2014.

Exchanges are online markets where consumers will be able to buy individual policies and see if they qualify for government subsidies. Washington will run the exchanges in states that decline to do so.

The insurance industry says the fees will add to the cost of coverage.

The new markets are designed to be self-supporting, and backers of the approach say it's more cost-effective than the current system.

Copyright 2012 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.

Citation: Feds propose fee on health insurers in new market (2012, November 30) retrieved 28 April 2024 from <https://medicalxpress.com/news/2012-11-feds-fee-health.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is

provided for information purposes only.