Washington, D.C. (April 26, 2012) –The Kaiser Family Foundation reported today that 15.8 million people will share an estimated $1.34 billion in rebates for their 2011 plan year under the medical loss ratio (MLR) provision, or the 80/20 rule, included in the Affordable Care Act.

Under the 80/20 rule, insurance companies must spend at least 80 percent of their premium dollars on medical care and health quality improvement. Insurance companies that spend more than 20 percent of premium dollars on administrative costs and profits are required to provide rebates to their consumers.

“Obamacare is working to ensure that consumers get the best value for their health care dollar,” said **Rep. Jan Schakowsky** (D-IL). “Thanks to the medical loss ratio requirement included in the law, this summer, 514,963 Illinoisans will share $26,839,563 in health insurance rebates. Prior to Obamacare, insurers could spend one-third, or even up to one-half, of their health insurance premiums on things like CEO salaries, marketing, and lobbying.”

Rebates represent only part of the consumer benefit from the MLR. Other insurers have reduced premiums to bring their spending into compliance with the new Obamacare standards for giving consumers value for their premium dollars.

The full Kaiser Family Foundation report can be accessed here: http://www.kff.org/healthreform/upload/8305.pdf

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