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## **NABIP Members Co-Author *Health Affairs* Article on the Unintended Consequences of the Affordable Care Act's Medical Loss Ratio Rule**

Washington, DC – The National Association of Benefits and Insurance Professionals (NABIP) is proud to recognize members Joshua Brooker and Lin Lewis for their contributions as co-authors of a newly published *Health Affairs* article titled “*The Unintended Consequences of the Affordable Care Act's Medical Loss Ratio Rule*.” The article provides a timely and evidence-based examination of how the Affordable Care Act's (ACA) Medical Loss Ratio (MLR) rule has impacted health insurance markets, consumers, and taxpayers since its inception.

Originally designed to improve affordability and accountability by requiring insurers to spend 80–85 percent of premium revenue on medical services, the MLR rule has yielded several unintended outcomes over more than a decade of implementation.

### **Findings Highlighted in the Article**

The authors, representing experts from the private sector, academia, and health policy, analyzed MLR data and found that, despite its intent to control costs, the rule has inadvertently driven premium inflation, reduced market competition, and stifled innovation.

Among the findings:

- Premiums in the ACA individual market rose 59% between 2011 and 2021, even after adjusting for medical inflation.
- In 2025, 24 million Americans obtained coverage through the exchanges, with 19 million paying \$10 or less per month after subsidies, supported by \$98–107 billion in taxpayer funding.
- Insurers issued \$491 million in rebates to 3.6 million enrollees in 2023, often to consumers whose premiums were already federally subsidized.

While the MLR rule was intended to cap profits and administrative costs, the authors find that it has instead discouraged cost containment and encouraged insurer consolidation, both horizontally among insurers and vertically through acquisitions of hospitals, physician groups, and pharmacy benefit managers. These structural shifts, they argue, have reduced competition and consumer choice, especially in rural areas, and increased system-wide costs.

### **Key Takeaways and Proposed Reforms**

The authors recommend targeted reforms to improve the rule's effectiveness and better align incentives with affordability and innovation, including:

- Redirecting MLR rebates to better benefit consumers and stabilize future premiums.
- Adjusting MLR thresholds for new or smaller insurers to encourage market entry and competition.
- Enhancing transparency and oversight to ensure accountability without stifling innovation.

As noted in the article, there is little evidence that the MLR rule has promoted premium affordability or constrained insurer profits as intended. The authors note that reforming the rule would be an important step toward achieving affordable and sustainable health coverage.

“NABIP is proud to see our members leading the national conversation on health policy through thoughtful, data driven research,” said Jessica Brooks Woods, CEO of NABIP. “Our members see every day how policy decisions impact the cost and accessibility of coverage. Their analysis underscores why it is time to reexamine regulations that may add cost or limit choice and to pursue reforms that deliver affordable, high quality, and innovative coverage for all Americans.”

#### **About the Authors**

**Joshua Brooker**, Chief Visionary Officer of SnapHealth, is a long-time NABIP member and health policy advocate whose work has been featured in *The Wall Street Journal*, *Kaiser Health News*, and *NPR*.

**Lin Lewis**, founder of InvoBH Agency, serves as the national chair of NABIP’s Marketing and Communications Committee. With experience spanning biomedical research and insurance advisory, Lewis brings a unique perspective to policy and practice.

The full article, “*The Unintended Consequences of the Affordable Care Act’s Medical Loss Ratio Rule*,” is available at [here](#).

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