

Person(s) Who Allegedly Violated the Political Reform Act: (If there are multiple parties involved, attach additional pages as necessary.)

Last Name: _____

First Name: _____

Committee Name: No on 45-Californians Against Higher Health Care Costs. Major
(only if applicable)

Street Address: _____
Filer ID 1343998

City: Sacramento State: CA Zip: 95814

Telephone: (916) 442 - 7757

Fax: () -

E-mail: _____

Describe, With as Much Particularity as Possible, the Facts Constituting the Alleged Violation(s) and How You Have Personal Knowledge that it Occurred.*

The name NO ON 45-Californians Against Higher Health Care Costs. Major Funding By Kaiser Foundation Health Plan Inc, Wellpoint Inc., and Blue Shield of California with a Coalition of Doctors, Nurses, Hospitals, Health Plans and California Employers misleads in failing to correctly describe the economic interests of the major donors. FPPC regulations, Title 2, Division 6, Section 18450.3 and 84504 require the name of a committee primarily formed to support or oppose a ballot measure to clearly identify the economic interest of the committee's major donors. The committee name is in violation because it does not list all major donors of \$50,000 or more, which are exclusively health insurance companies, or use a term to convey the economic interest of multiple major donors. In this case, that would be "health insurance companies." (See attached). The committee name does not comply with Sec. 18419 that requires identification of sponsors by name or by industry affiliation. The Association of CA Life and Health Insurance Cos. and the CA Chamber of Commerce are not named, nor is the term "insurance companies" used. "Doctors," and "nurses" should not be in the name as neither group sponsored or donated to the committee.

***IMPORTANT! Attach copies of any available documentation that is evidence of the violation, (for example, copies of checks, campaign materials, minutes of meetings, etc., if applicable to the complaint.) Note that a newspaper article is NOT considered evidence of a violation.**

Provision(s)/Section(s) of the Political Reform Act Allegedly Violated and When the Violation(s) Occurred: (If specific sections are not known, please provide a brief summary)

The disclaimer used by the Committee in its media communications is also in violation for the same reasons, stating: "Paid for by No on 45, Californians Against Higher Health Care Costs. Major funding by Kaiser Foundation Healthplan Inc., Wellpoint Inc, and Blue Shield of California with a coalition of doctors, nurses, hospitals, health plans and California employers." According to 18402(c)(4)(a) and 18419(b)(2), this constitutes a failure to properly list all major committee donors or characterize the donors, which are exclusively health care insurers, and to properly name or characterize sponsors. The disclaimer misleads because in fact no "doctors" or "nurses," donated to the committee, nor did any employers or hospitals. No doctors or nurses sponsored the committee. In addition, Sec. 18450.3(b)(4) requires major donors, such as "health plans" not to be interspersed with other constituencies such as "doctors" or "nurses." That is also a violation.

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Name and Addresses of Potential Witnesses, Other than Yourself, if Known:

Last Name: _____

First Name: _____

Street Address: _____

City: _____ State: _____ Zip: _____

Telephone: (____) ____ - _____

Fax: (____) ____ - _____

E-mail: _____

PAGE 2 OF NO ON 45 FPPC COMPLAINT

DONATIONS TO THE NO ON PROP 45 COMMITTEE TO DATE HAVE COME FROM:

Kaiser Foundation Healthplan: \$14,320,620

Wellpoint: \$12,500,000

Blue Shield of CA: \$9,693,200

Anthem Blue Cross: \$270,000

HealthNet: \$135,000

California Association of Healthplans: \$60,000

United Healthcare Insurance: \$40,000

Also see attached press release and Radio Ad Script.



[home \(/\)](#) · [newsrelease \(/updates/newsrelease/all/all/all\)](#) · [corporate greed \(/tags/corporate-greed\)](#) · [yes on 45: consumer watchdog warns public of insurance industry's deceptive no on prop 45 radio advertising](#)

NEWS RELEASE

Yes on 45: Consumer Watchdog Warns Public Of Insurance Industry's Deceptive No On Prop 45 Radio Advertising

9/4/2014

Contact Info

Contact:

Jamie Court & Carmen Balber

Santa Monica, CA – Consumer Watchdog said today that a one-minute radio advertisement released by health insurance companies opposed to Prop 45's health insurance rate regulation provisions fraudulently misrepresents the advertisement's backers, the ballot measure, and the current state of the law governing regulation of health insurance.

The advertisement deceptively obscures the insurance industry's funding for the commercial and confuses the public about having to make a false choice between the state's bulk purchasing pool for some health insurance consumers and rate regulation for 6 million individuals and small businesses. Prop 45 retains both.

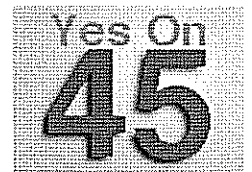
Rick Claussen, maker of the infamous industry-funded "Harry and Louise" advertisements that torpedoed federal health reform during the Clinton era, made the advertisement.

"California's health insurance companies cannot win a honest debate about Prop 45 so they have resorted to lies and hiding their role as the funders of the No On 45 campaign," said Jamie Court, proponent of Prop 45 and president of Consumer Watchdog. "Health insurance companies call their coalition Californians Against Higher Healthcare Costs when it is their profiteering that is driving up our costs. That's how phony this is. The only reason insurance companies have spent \$37.6 million against Prop 45 is because it will put the brakes on their runaway rates. "

Consumer Watchdog noted the advertisement misleads the public in the following ways:

- Radio ad narrator Candy Campbell claims to represent California nurses in favor of the insurance companies' cause. In fact, she sells herself on her website as the "Florence Nightingale" of healthcare communications, offering her services as an "actor and filmmaker, author and educator" with nursing credentials. The 85,000 member strong California Nurses Association is a sponsor of Prop 45.
- The ad proclaims that Covered California, the state's new health benefit exchange, can "reject plans that are too expensive." In actual fact, Covered California negotiates with insurers – behind closed doors – but cannot reject unreasonable rate hikes. No federal or California state agency has the power to do so. Four health insurance companies control 92% of the Covered California market, so there is no leverage for negotiation and no ability to reject a plan. Prop 45 would give the insurance commissioner authority to reject excessive rate hikes and order refunds.
- Covered California is not an "independent commission" as the ad describes. Governors and legislative leaders who take significant contributions from the insurance industry appoint board members to this new healthcare insurance exchange, which conducts its negotiations behind closed doors. A bevy of healthcare "consultants" and "advisors" with extensive histories representing some of the industry's biggest insurers were temporarily hired to shape the exchange. Some of them have since returned to the companies that they left. The exchange is a bulk purchasing pool, much like an insurance broker, that describes the insurance companies as its "partners." Its negotiations are not subject to the Public Records Act.
- The ad implies that the "commission" helps all voters, when its purchasing decisions only affect its 1.2 million enrollees. Prop 45's requirement that rates be justified and approved before taking effect applies to 6 million individuals and small businesses in the state and will protect them from health insurance company price-gouging while lowering health insurance premiums. 35 other states have instituted similar requirements.
- The ad says "keep the commission and reject the special interests." Proposition 45 does not alter Covered California or its role. The ad falsely implies that Prop 45 means California loses its health benefit exchange. It doesn't. In fact, Prop 45 helps Covered California by making insurers justify rate increases and allowing California to reject hikes deemed excessive. This gives Covered California enhanced clout with insurers to keep rates down. No "special interests" are behind Prop 45, which is backed by the nonprofit Consumer Watchdog and California Nurses Association.
- The ad claims that Prop 45 "lets politicians take millions in campaign contributions from special interests." No California insurance commissioner since 2002 has taken a campaign contribution from an insurance company.

In 2010, insurance companies spent \$5 million trying to defeat current Insurance Commissioner Dave Jones. To date, they have contributed more than \$37 million dollars in policyholder premiums to defeat Prop 45. In contrast, in the last 18 months, Jones has raised \$1.2 million, mainly from individuals and small businesses, for



his campaign. He has also accepted spending limits.

- The ad's disclaimer states the coalition is made up of "doctors, nurses, and healthcare clinics." In fact, nearly 100 percent of the funding for this ad campaign comes from five insurance companies: Blue Shield, Kaiser, Wellpoint/Anthem, United Healthcare, and HealthNet, who are profiteering off captive consumers who are now required by law to buy health insurance.
- By placing the state required campaign disclosure at the beginning of the ad instead of the end, using a "chime" sound effect, and switching the speaker from a man to a woman the disclosure mentioning health insurance company funding sounds as though it applies to the advertisement that preceded this industry ad.

A nationally recognized actuary and Consumer Watchdog found that Proposition 45 could save Californians \$200 million or more per year in excessive premiums, which is why the insurance industry is resorting to deceptive ads against Prop 45.

The radio ad copy follows:

AD CONTENT:

"Paid for by No on 45, Californians Against Higher Healthcare Costs. Major funding by Kaiser Foundation Healthplan Inc., Wellpoint Inc, and Blue Shield of California; with a coalition of doctors nurses, hospitals, health plans and California employers. (chime)

I'm Candy Campbell of the American Nurses Association of California. As a nurse I know how important it is to control health care costs. And this year we have a clear choice.

On one hand we can keep the new independent commission established last year to negotiate rates and benefits for consumers and reject plans that are too expensive.

On the other we have Prop 45 that will give one politician the power to override the rates and benefits negotiated by the commission and at the same time lets the politician take millions in campaign contributions from special interests.

The choice is clear. Keep the independent commission and reject the special interests.

Vote no on 45.

Man's Voice: Join doctors, nurses and health care clinics and vote no on 45.

Get the facts at NoOn45 .org and stop the politician power grab."

END

For more information on Prop 45 see www.Yeson45.org (<http://www.Yeson45.org>)

Paid for by Consumer Watchdog Campaign – Yes on 45, a coalition of consumer advocates, attorneys, policyholders, and nurses. 777 S. Figueroa St., Ste. 4050, Los Angeles, CA 90017. Major Funding by Consumer Watchdog Campaign and Thomas Steyer.

Related Focus Areas:

[Holding Health Insurers Accountable \(/focusarea/holding-health-insurers-accountable\)](#)

[Implementing Federal Health Reform \(/focusarea/implementing-federal-health-reform\)](#)

[Regulating Health Insurance Rates \(/focusarea/regulating-health-insurance-rates\)](#)

Tags:

[Corporate Greed \(/tags/corporate-greed\)](#) [Covered California \(/tags/covered-california\)](#) [False Advertising \(/tags/false-advertising\)](#) [health insurance \(/tags/health-insurance\)](#)

[Health Insurance Rate Regulation \(/tags/health-insurance-rate-regulation\)](#) [Prop 45 \(/tags/prop-45\)](#) [Proposition 45 \(/tags/proposition-45\)](#) [The Health Insurance Public](#)

[Justification and Accountability Act \(/tags/health-insurance-public-justification-and-accountability-act\)](#) [Holding Health Insurers Accountable \(/tags/holding-health-insurers-accountable\)](#)

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Last Name: _____
First Name: _____
Street Address: _____
City: _____ State: _____ Zip: _____
Telephone: () - _____
Fax: () - _____
E-mail: _____

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

 9-10-14
(Signature) (Date)
Janie Court
(Please Print Your Name)

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