



June 15, 2010

Mr. Lou Felice
Chair
Health Care Reform Solvency Impact Subgroup
NAIC
2301 McGee St., Suite 800
Kansas City, MO 64108-2662

Dear Mr. Felice,

I am writing today on behalf of The Council of Insurance Agents & Brokers. The Council represents the nation's leading insurance agencies and brokerage firms. Council members specialize in a wide range of insurance products and risk management services for business, industry, government, and the public. Council members also place the majority of U.S. employee benefit insurance products and provide a range of insurance-related consulting and administrative services. Operating both nationally and internationally, Council members conduct business in more than 3,000 locations, employ more than 120,000 people, and annually place more than 80 percent – well over \$200 billion – of all U.S. insurance products and services protecting business, industry, government and the public at-large.

The Council would like to provide some comments on the instructions to Supplemental Health Care Exhibit - Part 3 that was exposed on June 9. We have worked with other industry groups on the attached redline version of the definitions, and ask that the subgroup accept these revisions. We did wish to emphasize a few specific points on the redline.

First, the revisions noted above to the June 9 are aimed at encouraging flexibility in the standard. We believe that flexibility is crucial to encouraging continued innovation in improving health care quality, and subsequently, the health of plan participants. The language at the end of each column definition that provides for the inclusion of other expenses not already categorized under these definitions is meant to provide the flexibility needed to incorporate new initiatives and innovations in health care quality.

Second, the revisions attempt to define the categories of health care quality improvement expenses as functions rather than by listing specific, individual activities. This dovetails with the flexibility built into the standards, as an activity that may be standard today may be replaced at some point by a new activity that produces better results, but that does not exist today. By tying the definitions to functions rather than lists, new and innovative activities will not be excluded in the future.

Finally, the revisions recognize that health care quality expenses should apply to activities aimed both at individuals and at specified populations. Many of the initiatives undertaken today to improve health care quality target specific medical conditions or issues, such as obesity, smoking, asthma, etc., but provide patient-level services. These programs are designed and evaluated at the population level, but the information gained from the population is used to tailor health solutions for the individuals who make up the group. For this reason, it is important to include expenses for activities aimed at both individuals and specified populations.

We thank you and the subgroup for the opportunity to offer our comments on the proposal. We also thank you, the subgroup, and NAIC staff for the open process you have used over the past several weeks in developing the blank and instructions.

Sincerely,

A handwritten signature in black ink that reads "Nicole Allen". The signature is written in a cursive, flowing style.

Nicole Allen
Vice President, Industry Affairs