June 15, 2010

Mr. Lou Felice
Chair, Health Care Reform Solvency Impact Subgroup

Steven Ostlund
Chair, Accident & Health Working Group

National Association of Insurance Commissioners
2301 McGee Street, Suite 800
Kansas City, Missouri 64108-2662

Re: Calculation of Medical Loss Ratio Recommendations

Dear Mr. Felice, Mr. Ostlund, and Subgroup members:

I am Brenda Palm, Executive Director of Parkways Foundation in Chicago, Illinois. Parkways Foundation invests in Chicago's parks to enrich communities through historic preservation, environmental initiatives, capital projects and youth/family programs. Parkways is an independent, non-profit organization dedicated to working with the Chicago Park District in true public/private partnership.

Since 2007, with the commitment and strong support of the corporate community including Blue Cross and Blue Shield of Illinois, Parkways Foundation and the Chicago Park District launched and plan to sustain Wellness Center programming at six park locations. The program sites were selected based on data indicating the neighborhoods with the highest rates of childhood obesity. The Wellness Center program effectively delivers healthy lifestyle education and activity for youth and families. The support from three leading corporations to launch this programming is a tremendous example of how private investment can achieve meaningful and sustainable influence through the city of Chicago. Investment from the private sector is essential in expanding the reach of wellness programming.

I am writing to urge the National Association of Insurance Commissioners (NAIC) to consider and recommend to the Department of Health and Human Services (HHS) a definition of medical loss ratio (MLR) that will encourage health plans to continue their tremendous support of community-based public health initiatives and programs.

The membership of NAIC is state-based and so should understand well the important contributions that local organizations make to the overall health of communities and populations. I want to make sure that health insurers will continue their critical participation in these efforts.

It is my understanding that if the definitions around MLR are too narrow, health insurers will not be encouraged to support community-based health initiatives and could, in fact, be penalized for such support if their contributions are counted as administrative expenses. Penalizing support of my organization's program and similar community-based programs across the nation would not be wise public policy.

I strongly urge the NAIC to recommend to HHS that for the purpose of calculating MLR, quality initiatives include health insurers' involvement and investments in public health initiatives.

Thank you for consideration on this important issue.

Sincerely,

Brenda R. Palm
Executive Director
Parkways Foundation