June 14, 2010

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 a physician, now leading a collaborative effort in our community, funded by Blue Cross and Blue Shield of Illinois, to work with Head Start programs and elementary schools in Springfield, Illinois, to improve nutrition and physical activity habits among kids, and to reduce the incidence of childhood obesity. We are entering our second year of the program, and have supported instructional changes in the schools, health fairs, and staff development that have already had an impact on our children. We are excited about expanding and enhancing our efforts across the community in the coming years, with the continued help of our BCBSIL colleagues.

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 generous support of community-based public health initiatives and programs, such as the one described above. I'm sure your members, who live and work in communities in states across the country, very well understand how critical their support of such efforts can be to improving the health of their local populations and communities.

It is my understanding that if the definitions around MLR are too narrow, health insurers could be discouraged from supporting 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 could prevent important improvements in the health of the population in general.

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

Thank you for your consideration on this important issue.

Sincerely,

[Signature]

David E. Steward, M.D., M.P.H.  
Professor and Chair  
Department of Internal Medicine

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