

Heart of Texas Community Health Center, Inc.

Providing Primary Healthcare Services to the Vulnerable of McLennan County

*Roland A. Goertz, MD, MBA, Executive Director
1600 Providence Drive
Waco, TX 76707
254-750-8201*

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:

The Heart of Texas Community Health Center and the Caring for Children Foundation of Texas recently launched a preventative dental services collaboration and have already provided services to several thousand central Texas children. Blue Cross and Blue Shield of Texas, the statewide sponsor of the Foundation, has provided 100% of the Foundation's administrative expenses as an in-kind donation.

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,



Allen E. Patterson, CPA, FACMPE, MHA
Chief Financial and Operating Officer