

June 21, 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:

For the past several years, the San Antonio Metropolitan Health District and the Caring for Children Foundation of Texas have collaborated together to provide preventive dental services to thousands of uninsured children. During this time, 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. This collaboration has been extremely helpful to the Dental Division of the San Antonio Metropolitan Health District in bringing preventative care and treatment to children, who might otherwise not have the opportunity for such dental care. The Care Van provided us has allowed us to transport portable dental equipment for use in programs in elementary schools and a summer San Antonio Parks and Recreation program designed to bring preventative care to children.

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,

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