



May 17, 2010

Louis Felice
Chair, Health Care Reform Solvency Impact (E) Subgroup
National Association of Insurance Commissioners

Dear Mr. Felice,

We are writing on behalf of URAC and the National Committee for Quality Assurance (NCQA), leading national health care accreditation organizations that promote high quality health care management activities and programs through the processes of accreditation, education and measurement. We appreciate your consideration of our comments regarding Medical Loss Ratio calculations and proposed exposure draft provisions related to the statement instructions on Line 5: "Improving Health Care Quality Expenses Incurred" and Lines 5.1: "Type A-Expenses for Health Improvements other than Health Information Technology."

Specifically, we encourage the NAIC to add the following item to the list of activities on Line 5.1 that will be included as quality of care expenses:

- Accreditation of health plans and of the quality of care activities listed above, by a nationally recognized accreditation entity such as NCQA or URAC, in order to demonstrate that these clinical and quality functions are meeting national, contemporary standards for the delivery of high quality care and to promote best practices in these functions.

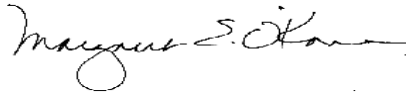
We urge you to recognize that the cost of accreditation be counted as a quality cost for medical loss ratio calculations, because accreditation provides independent, third-party verification that health care organizations are implementing the highest quality and safety standards in clinical activities. Companies that earn accreditation from NCQA or URAC have weathered a rigorous process to establish compliance with contemporary standards and that encourages adoption of leading health management approaches. Accredited companies regularly emerge ahead of the curve in adopting practices that protect and empower consumers, as well as ensure clinical and organizational quality.

Through the accreditation process, accreditors galvanize health care organizations to keep pace with emerging evidence-based clinical and quality improvement standards more readily than if undertaken by legislation or regulation. During the accreditation review, clinical reviewers examine key internal processes with implications for both quality of care and patient experience.

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Thank you for your consideration of our comments on medical loss ratio calculations and the language we have offered here for the proposed exposure draft provisions related to "Improving Health Care Quality Expenses Incurred." We welcome the opportunity to further discuss this issue with you.

Sincerely,

A handwritten signature in cursive script, appearing to read "Margaret E. O'Kane".

Margaret E. O'Kane
President
NCQA

A handwritten signature in cursive script, appearing to read "Alan P. Spielman".

Alan P. Spielman
President and CEO
URAC