



Mr. Lou Felice
Chair, Health Care Reform Solvency Impact Subgroup
c/o National Association of Insurance Commissioners
2301 McGee Street, Suite 800
Kansas City, MO 64108-2662

May 14, 2010

In re: Medical Loss Ratios

Dear Mr. Felice:

We understand that Secretary Sebelius has asked NAIC for guidance in implementing the new medical loss ratio requirements set forth in the Patient Protection and Affordable Care Act (PPACA). We respectfully submit the following comments for consideration in your efforts, and request your assistance in assuring that activities relating to the prevention and management of chronic diseases are considered as part of the value of benefits in the MLR calculation and not as administrative expenses.

Throughout the health care reform debate, the Partnership to Fight Chronic Disease (PFCD), a consensus-based national coalition of more than 120 leading patient, provider, community, business, and labor groups, has advocated for reforms that work to improve health in America by addressing the prevention of chronic disease development and progression.

To transform our health care system to one focused on protecting and promoting health rather than waiting to respond to illness, we must encourage both public and private sector health promotion efforts. Wellness and chronic care management programs have demonstrated improvements in health status and health outcomes, in adherence to treatment, in adoption of healthy behaviors, and in overall health care costs.

For example, in clinical studies targeting individuals at high risk for readmissions, nurse-led interdisciplinary teams working with patients and family caregivers before hospital or nursing home discharge have led to reduced readmissions and lower costs. Also, health coaching efforts, such as the successful pharmacist-coach model employed in the Asheville project, can lead to improved self-management, adherence to medication and behavior modification recommendations, and lower overall medical costs. Similarly, private plans in Medicare have engaged in multi-disciplinary care management and health improvement efforts, including Health Risk Assessments, Medication Therapy Management, and care coordination, and activities to promote healthy behaviors, such as the SilverSneakers® Fitness Program evaluated by the CDC. These and other successful interventions may involve face-to-face, telephonic, web-based, and other care assessment and intervention methods to provide quality, accessible care.



All of these programs originated in the private sector. We must encourage the development, continuation, and broader adoption of such health improvement efforts and preserve the flexibility needed to allow for continued innovation. Not allowing the expenses relating to these activities to count toward meeting minimum MLRs would be a significant deterrent and should be avoided.

We urge you to count the costs associated with programs, measures, or activities designed to achieve one or more of the following goals as part of the value of benefits in the medical loss ratio calculation:

- wellness, health promotion, or fitness;
- prevention of chronic disease onset or progression;
- improvement of health outcomes through disease or chronic care management, managing care transitions, patient or family caregiver education and self-management support, or medication adherence or other care management compliance efforts;
- care coordination; or
- patient safety or reducing medical errors.

Addressing the burden of chronic disease in a meaningful, sustainable way requires that implementation policies encourage both public and private dedication to health improvement efforts. Incorporating expenses relating to the health improvement goals described above as part of the value of benefits in the calculation of MLRs is an important step forward in encouraging these efforts.

Sincerely the undersigned PFCD partners:

Alzheimer's Foundation of America
American Pharmacist Association
The American Sleep Apnea Association
Building Healthier America
DMAA: The Care Continuum Alliance
Health Dialog
Healthcare Leadership Council
Medical Fitness Association
Mental Health America
National Association of Chronic Disease Directors
National Association of Manufacturers
National Family Caregivers Association
National Medical Association
XLHealth