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May 24, 2010

Lou Felice
Chair, Health Care Reform Solvency Impact Subgroup

Steven Ostlund
Chair, Accident & Health Working Group

Re: Including Preventive Care, Wellness Services, and Capitated Payments to Non-Physician Providers in the Medical Loss Ratio Numerator

Dear Mr. Felice and Mr. Ostlund:

American Specialty Health, Incorporated and its family of companies (ASH) is a leading provider of specialty network management, and prevention and wellness services. ASH provides specialty network management, prevention & health programs including health coaching and fitness programs to health plans, insurers, and employer groups. In its specialty network management programs, ASH provides complementary health care services including chiropractic, acupuncture, naturopathy, dietetic counseling, and occupational, physical and massage therapy. ASH provides evidence-based services in a cost-effective manner.

We are writing to express our support for two provisions that the Solvency Impact Subgroup has included in its current blanks proposal (released on May 20) for the calculation of the medical loss ratio (MLR). First, we support including preventive care and wellness programs in the MLR numerator as expenses that improve health care quality. Specifically, we support the inclusion in Part 1, Line 5 of the instructions of programs that are related to “wellness assessment, wellness/lifestyle coaching programs, coaching programs designed to educate individual members on clinically effective methods for dealing with a specific chronic disease, and coaching or education programs and health promotion activities designed to change individual member behavior (e.g., smoking, obesity); preventive care and wellness program activities to encourage evidence based medicine; and health information technology expenses to support these activities.” These types of preventive care and wellness services unquestionably have a direct impact on the care provided to health plan members.

Second, we support including capitation payments to non-physician providers in the MLR numerator as incurred claims. Specifically, we support the provisions in Part 1, Line 2.1 of the instructions that include capitation payments by the reporting entity to non-physician providers for delivery of medical services when those providers are licensed, accredited or

certified to perform specified health services. These types of complementary health services, including such services as chiropractic, acupuncture, naturopathy, dietetic counseling, and occupational, physical and massage therapy, are important components of the care provided to health plan members and are often provided on a capitated basis.

As a result, the current blanks proposal appropriately recognizes the two types of costs described above as dollars expended for “activities that improve health care quality” or “clinical services”, as specified in section 2718.

If we can provide any further information, please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script that reads "George DeVries". The signature is written in black ink and is positioned above the printed name and title.

George DeVries
Chairman and CEO