



May 20, 2010

Mr. Lou Felice
Chair, Health Reform Solvency Impact (E) Subgroup
C/- New York Department of Insurance
25 Beaver Street
New York, New York 10004-2319

Re: Medical Loss Ratios; Request for Comments Regarding Section 2718 of the Public Health Service Act

Dear Mr. Felice:

On behalf of the New Jersey Chamber of Commerce, I appreciate the opportunity to provide the U.S. Department of Health and Human Services (HHS) with comments and recommendations in response to Section 2718 of the Public Health Services Act governing premium transparency and medical loss ratios, as mandated in the Patient Protection and Affordable Care Act (PPACA).

As a leading organization representing businesses across New Jersey we have a long-standing commitment to the health of our citizens and of our economy.

We support many elements of the recently passed Health Care Reform legislation, particularly as it expands access to health insurance. However, we are concerned that new regulations concerning minimum medical loss ratios may have the consequence of reducing the level of resources devoted to health screenings, disease prevention, patient education, and direct support for those suffering from heart disease and other acute and chronic conditions.

Specifically, we believe that health plan resources devoted to improving patients' health are properly categorized as medical rather than administrative costs. Such programs would include: wellness and prevention programs (including managing high blood pressure and cholesterol), case management and disease management, care coordination, quality reporting, incentives to promote evidence based medicine, programs designed to ensure patient safety, and programs that reduce avoidable hospital admissions and readmissions.

If the final regulations fail to properly categorize these activities, they and the value they provide to clinicians and consumers, will be seriously undermined. This would have a negative consequence on individuals and their families, as well as the economic health of our state.

Thank you for this opportunity to comment on the proposed regulations and we hope the outcomes will be supportive of our shared goal of a healthier America.

Sincerely,



JOAN VERPLANCK
President

JV: 2734

cc: Tom Considine, Commissioner
NJ Department of Banking and Insurance

Todd Sells
Director Financial Regulatory Services, NAIC