



May 21, 2010

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

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

Dear Chairman Felice:

On behalf of the New Jersey Business & Industry Association, I appreciate the opportunity to provide the National Association of Insurance Commissioners with comments regarding medical loss ratios, as mandated in the Patient Protection and Affordable Care Act.

The New Jersey Business & Industry Association is an employer association providing information, services and advocacy for its member companies in order to build a more prosperous New Jersey. We are the nation's largest statewide employer association. We have 22,000 member companies in all industries and in every region of New Jersey. As a group, our members employ more than one million people, about one-third of the State's private-sector workforce.

We support many elements of the recently passed Health Care Reform legislation; particularly those aimed at keeping health insurance affordable for small business—long our members' biggest concern. 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 management programs, patient education, wellness programs, fraud, waste and abuse activities, and certain health information technology tools.

These quality measures provide valuable services to covered employees improving their health and the value of the care they receive. We believe that health plan resources devoted to improving patients' health are properly categorized as medical rather than administrative costs.

If the final regulations fail to properly categorize these activities, it would increase costs for employers, and eliminate programs that are valuable to employees and beneficial to

their health. This would have a negative consequence on employees and their families, as well as the economic health of our state.

Thank you for this opportunity to comment on the proposed regulations.

Sincerely,

A handwritten signature in black ink that reads "Christine". The signature is written in a cursive, flowing style.

Christine A. Stearns

c: Thomas Considine, Commissioner
NJ Department of Banking and Insurance

Todd Sells, Director
Financial Regulatory Services
National Association of Insurance Commissioners