



State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

Jim Doyle, Governor  
Sean Dilweg, Commissioner

Wisconsin.gov

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125 South Webster Street • P.O. Box 7873  
Madison, Wisconsin 53707-7873  
Phone: (608) 266-3585 • Fax: (608) 266-9935  
E-Mail: oclinformation@wisconsin.gov  
Web Address: ocl.wi.gov

VIA Email Only

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

Re: Supplemental Health Care Exhibit

Dear Mr. Felice:

Thank you for the time you have invested in reviewing comments from all parties on the ongoing development of the Supplemental Health Care Exhibit. Wisconsin would appreciate the opportunity to comment on two points that were discussed during the subgroup calls this week.

The first paragraph of the current draft reads in part, "Expenses... that can be objectively measured and verified." During the open call this week a number of parties voiced concerns about the broadness of this language and the need to revise it to provide that any expenses included in quality *have been* objectively measured and verified. Wisconsin objects to this proposed revision. It is our belief that the referenced portion of the current draft definition is sufficient to provide regulators with the authority necessary to ensure that all expenses reported in the Expenses for Health Care Quality Improvements line are quantifiable. Early on in the development of a new quality improvement initiative, it may not be possible for a company to provide data to quantify the initiative's benefits. At this stage, it may be sufficient for a company to have a plan for objectively measuring and verifying the impact of the program as experience develops. Narrowing the definition to provide that expenses have already been quantified will place an unnecessary burden on insurers and serve as a roadblock to innovation.

Wisconsin would also like to comment on the definition of Part 1, Other Indicators, Line 3. Number of Groups. As a result of discussion that took place during the open call this week, the line was changed from Number of Plans to Number of Groups, and the definition was clarified to read, "This is the total number of groups issued as of the end of the reporting period." Our original understanding of the Number of Plans line was that it would indicate the number of different benefit plans aggregated in each column. This information would be very useful to us in understanding the data reported. We are unclear what benefit is added by requiring the reporting of Number of Groups. We encourage the subgroup to consider changing the line back to Number of Plans and defining it as follows: "The total number of different insurance policy forms or benefit plans in force as of the end of the reporting period" or, at a minimum, include a line for the number of plans along with the line for groups.

Thank you for considering our comments. We look forward to continued discussions of these issues.

Sincerely,

Richard A. Hinkel  
Insurance Examiner Supervisor  
Bureau of Financial Analysis and Examination