



July 2, 2010

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: Medical Loss Ratios – Section 2718 of the Public Health Service Act (PHSA)

Dear Mr. Felice:

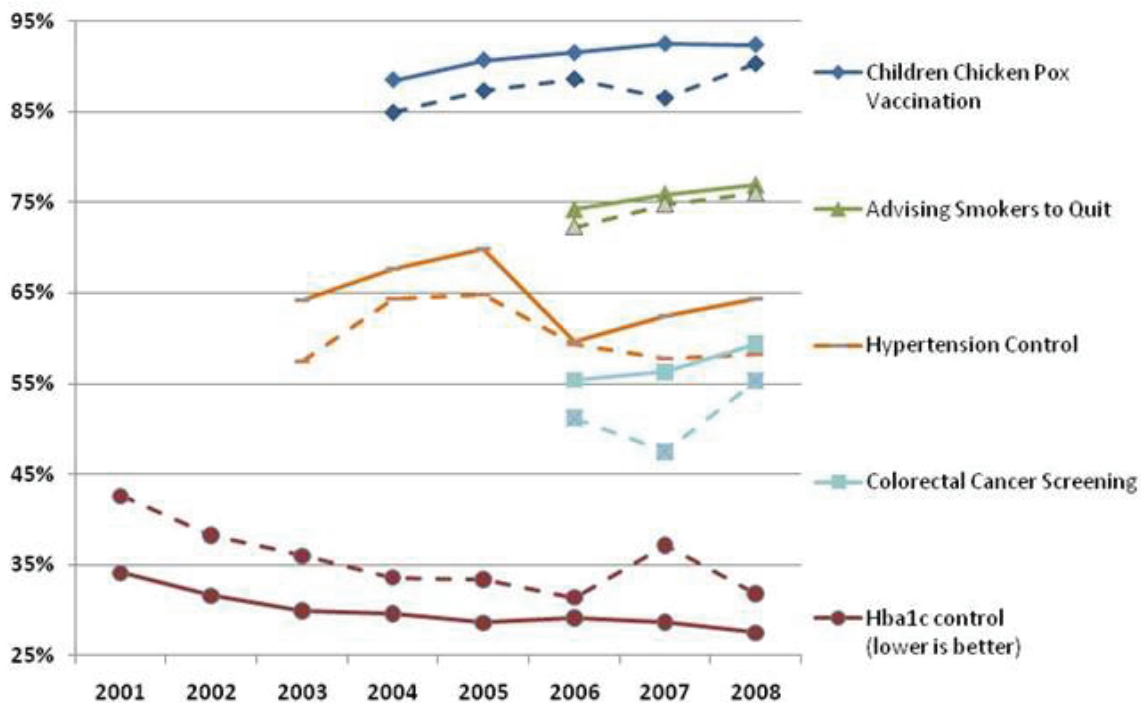
The National Committee for Quality Assurance (NCQA) is very disappointed to see that the exposure draft that the Health Reform Solvency Impact Subgroup is sending to the Financial Condition (E) Committee excludes accreditation fees from counting towards activities that improve quality. As the leading accreditor of health plans and evaluator of health quality, we have been among the most influential entities in improving health plan quality by consistently raising the bar for health plans to improve care to their members. Our program is based on independent standards and measures drawn from up-to-date clinical evidence and consensus.

NCQA was founded 20 years ago with one goal in mind – to improve the quality of care that health plans provide. We started by developing a set of standards that good health plans should strive for – creating a clear path for improvement. Our standards are developed in a consensus-based process with multiple stakeholders – consumers, regulators, plans, purchasers and providers – and a public comment period influencing the final outcome. We add new standards over time to continuously challenge health plans, and we retire old standards that our policy committees agree have limited value.

Early on, NCQA added performance measures to our accreditation program. The importance of these measures has grown in sophistication, emphasis and in the degree to which actual performance influences the accreditation score. Our program is unique among accreditation programs for having almost half of the score depend on measures of clinical outcomes and processes.

Accreditation and performance measure reporting matter. Many key quality measures have improved over time – improvements that come from measuring and reporting. And we see better performance from accredited than non-accredited plans.

Changes in Select HEDIS Measures: Accredited (solid) vs. Non-Accredited (dotted) Plans



Some of the standards are for good processes and programs to improve quality directly. Others were added to reflect the protections and best practices that consumers and purchasers were looking for in health plans. For example, NCQA’s process standards evaluate a plan’s protection of members’ rights and make sure that utilization review decisions are made on the basis of clinical evidence. The purpose of these standards is not to “verify compliance”, but to evaluate how a plan’s performance compares with an ideal, and to lay a clear framework for how to improve these processes and practices. Every three years, we resurvey plans. We expect that plans have learned from previous surveys, developed new initiatives to improve HEDIS and patient experience scores, identified practices that need improvement and made the improvements resulting in better care for patients.

Many states recognize the value of accreditation in improving quality and assuring consumer protection and see us as partners in assuring that consumers have high quality options. The health care reform law calls for accreditation and performance measurement reporting as requirements for qualified plans in the new Exchanges.

We appreciate the many hours of discussion that the Subgroup has spent working on the definition of quality improvement and the many opportunities for public comment. These deliberations have improved many aspects of the definition. We have some concern that the process for adding new initiatives to the definition could have a dampening effect on innovation. But our greatest concern is the exclusion of accreditation fees from the definition. We have already been told that some health plans will drop accreditation if fees are not included. That would take us backwards when health reform makes it more important than ever to continue moving forward with accountability and quality improvement.

We urge you to strike accreditation fees from the list of excluded items.

Sincerely,

Sarah Thomas
Vice President, Public Policy and Communications

Cc: Todd Sells
David Link