August 11, 2010

Jane L. Cline
President, 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 Commissioner Cline:

The Pacific Business Group on Health (PBGH) is a business coalition of 50 large health care purchasers that seeks to improve the quality and availability of health care while moderating cost. We appreciate the opportunity to comment on the amendments to the Life and Health Blanks Proposal that was released last week. We focus our comments on the quality improvement activities, which include many of the elements that purchasers believe to be critical to improving patient care and affordability. Below, we provide suggestions on a few areas that can be strengthened:

- Require that the schedule insurers use to report their quality improvement activities be made public, facilitating greater transparency of investments in patient care.
- Make sure to include the proposed addition that qualifying quality improvement expenses “may have cost reducing or cost neutral benefits as long as the primary focus is to improve quality” (page 16). This addition is important to improve quality while advancing affordability of care.
- Do not remove “other nationally recognized health care quality organizations” from the inventory of entities that can serve as source of identified legitimate quality improvement activities (page 16). This proposed omission would bar National Quality Forum endorsed practices that have been passed through an important multi-stakeholder consensus process.
- Make unambiguous that provider performance measurement and public reporting activities on measures of clinical quality and patient experience are considered numerator activities. This clarification could be made in the Column 1 element “Quality reporting and documentation of care in a non-electronic format” (page 17).
- Clarify that the costs for reporting on patient experience are recognized along with those for clinical effectiveness with regards to Column 5: HIT Expenses for Health Care Quality Improvements (page 18). It appears that it is the intention of the document to include patient experience, but it is currently featured as an illustrative example.
- Provide clarification of why individual businesses are not being counted among those who can include the costs of “Actual rewards/incentives/bonuses/reductions in copays, etc.” in Column 4 (page 17).

On behalf of purchasers across the country, thank you for your efforts and your responsiveness to our comments. If you have any questions, please don’t hesitate to contact me.

Sincerely,

David Lansky, PhD
President & Chief Executive Officer
Pacific Business Group on Health