

# National Coalition on **BENEFITS**

Employer Comment Letter on MLR Provisions

May 14, 2010

Department of Health and Human Services  
Hubert H. Humphrey Building  
200 Independence Avenue, S.W.  
Washington, D.C. 20201

Attention: DHHS-2010-MLR

To Whom It May Concern:

In response to the request for information published in the Federal Register on April 14, 2010, the National Coalition on Benefits (NCB) appreciates the opportunity to comment on the interim final rules regarding Section 2718 of the Public Health Services Act which was added by Sections 1001 and 10101 of the Patient Protection and Affordable Care Act (PPACA), (Pub. L. 111-148), regarding the medical loss ratio (MLR). Our comments are particularly related to the development of guidance by the Secretary on "activities that improve health quality" for the purposes of calculating medical loss ratios.

Our organization represents employers who highly value activities that improve the quality of health services, reduce errors and fraud, and increase the health status of employees and their families. More than 170 million Americans obtain coverage through employer-sponsored health plans and, increasingly, a core component of the services that these plans are expected to deliver relate to quality improvement, patient safety and wellness.

The National Coalition on Benefits is a coalition of over 200 employers and employer associations that represent companies that voluntarily provide health, retirement and other valuable benefits under the framework established by the 1974 Employee Retirement Income Security Act (ERISA).

Over 50% of all employees are enrolled in fully insured plans and all employers want health plans to have a demonstrated ability to provide value-added quality improvement services. Based on our members' experience in sponsoring and financing employee health benefits, we believe a very important goal of the Department's guidance on the MLR provision as they apply to fully insured products should be to support and encourage employers to promote higher

quality health care and receive greater value for the dollars we spend on health care.

Specifically, we support investments that are made in improving the delivery of appropriate medical services, such as in disease management, care coordination programs and wellness programs, health information technology tools and solutions and fraud and abuse prevention initiatives, to be included as "activities that improve health care quality" in the calculation of MLRs. These investments are supporting the direct delivery of medical services and should not be categorized as administrative costs, since they improve patient care and health outcomes. The above efforts will improve the value and the delivery of the medical services offered under the plan.

Thank you for considering our comments on these important issues.

Sincerely

Steering Committee of the National Coalition on Benefits