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September 28, 2011

Department of Health and Human Services
Room 445-G, Hubert H. Humphrey Building
200 Independence Avenue, S.W.
Washington, D.C. 20201

Re: CMS-9975-P

Dear Sir or Madam,

The Care Continuum Alliance appreciates the opportunity to comment on the proposed rule for Standards Related to Reinsurance, Risk Corridors and Risk Adjustment, as a part of implementation of the Affordable Insurance Exchanges scheduled to begin in 2014.

The Care Continuum Alliance convenes all stakeholders along the care continuum toward improving the health of populations. Through advocacy, research and education, the Care Continuum Alliance advances population health management strategies to improve health care quality, health outcomes and reduce preventable costs for those who are healthy, at risk of chronic conditions or maintaining chronic conditions. The Care Continuum Alliance represents over 200 organizations and individuals including physician groups, nurses, other health care professionals, hospital systems, wellness and prevention providers, population health management organizations, pharmaceutical manufacturers, pharmacies and pharmacy benefit managers, health information technology innovators, employers, researchers and academics.

II. Subpart D.(3) – Federally-Certified Risk Adjustment Methodology

We highly value the Department of Health and Human Services' (HHS) discussion about establishing a Federal baseline methodology for risk adjustment and commitment to maintaining flexibility for States to develop alternative risk adjustment models. Care Continuum Alliance also appreciates HHS's desire to minimize related risk adjustment burdens on States and qualified health plans participating in the affordable insurance exchanges. Further, Care Continuum Alliance is very pleased that HHS considered the need for plans to adjust for geographic variations in patient population health risks. This is a significant improvement from current risk adjustment methodology that lacked adequate consideration for health risk variation in populations with high prevalence of disease.¹ Care Continuum Alliance would welcome the opportunity to serve as a resource as HHS develops the Federal baseline risk adjustment methodology and standards for alternative methodologies.

II. Subpart F.(1) – Definitions (§ 153.500)

Regarding the definition of "allowable costs", Care Continuum Alliance recommends that the definition used in this proposed rule be consistent with the medical loss ratio (MLR) policy in the Affordable Care Act. This creates alignment of clinical and quality improvement expenses versus administrative cost reporting across health care insurance systems. This also reduces

¹ MedPAC Report to Congress, March 1998: 15-18.

administrative burdens associated with reporting for qualified health plans participating in the affordable insurance exchanges.

The definition of “allowable costs” currently outlined in this proposed rule is partially consistent with the MLR policy by including clinical costs and excluding administrative costs in the total medical cost calculation.² However, the definition of “allowable costs” would benefit from specifically including “activities that improve health care quality” in order to fully align with the MLR policy. The MLR policy enumerates various components of population health management strategies under “activities that improve health care quality”. It positively recognizes wellness programs, health information technologies, chronic disease management and care coordination as central activities for broadly achieving cost-effective care and improving health outcomes in patient populations.³ Hence, population health management strategies are equally critical to successfully accomplish these same outcomes in patient populations entering the affordable insurance exchanges. Consistency between the MLR policy and this proposed rule’s definition of “allowable costs” then ensures “activities that improve health care quality” and population health management strategies are properly characterized as “allowable costs” during total medical cost reporting.

II. Subpart F.(2) – Risk Corridor Establishment and Payment Methodology (§ 153.510)

Care Continuum Alliance recognizes that HHS will issue guidance on methodologies for administration of payments and charges as well as reporting by qualified health plans participating in the insurance exchanges. As HHS develops these methodologies, we request special attention be given to creating organized, clear and detailed guidelines. This would greatly facilitate implementation of the reporting process for qualified health plans and overall operation of the affordable insurance exchanges.

Thank you for your consideration and we would be pleased to answer questions or provide additional information at your request.

Sincerely,



Tracey Moorhead
President and CEO

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² 45 CFR Part 153, Standards Related to Reinsurance, Risk Corridors and Risk Adjustment, Department of Health and Human Services, Federal Register, vol. 76 no. 136, July 15 2011: 14922.

³ 45 CFR Part 158, Issuer Use of Premium Revenue: Reporting and Rebate Requirements, 75 FR 74921, December 1, 2010: 158.150 and 158.151.