

January 29, 2010

The Honorable Harry Reid
Senate Majority Leader
522 Hart Senate Office Building
Washington, DC 20510

The Honorable Mitch McConnell
Senate Minority Leader
361 A Russell Senate Office Building
Washington, DC 20510

The Honorable Nancy Pelosi
Speaker of the House
235 Cannon House Office Building
Washington, DC 20515

The Honorable Steny Hoyer
House Majority Leader
1705 Longworth House Office Building
Washington, DC 20515

The Honorable John Boehner
House Minority Leader
1011 Longworth House Office Building
Washington, DC 20515



Dear Senators Reid and McConnell, Speaker Pelosi, and Representatives Hoyer and Boehner:

NCQA and DMAA: The Care Continuum Alliance strongly support many aspects of health care reform, including investments in quality, prevention, and improving the delivery of care. The provisions in the legislation around standards for the medical loss ratio are a part of the effort to spur increased health plan efficiency as well as to ensure a high share of premium dollars is devoted to patient care.

One challenge in constructing medical loss ratios is that some patient care activities that are designed to improve quality might be counted as administrative costs. The Senate bill appropriately counts these activities as separate from administrative costs such as marketing, reserves, profits and does not include them in the calculation of health plan loss ratios. DMAA and NCQA strongly support breaking out this category of expenses.

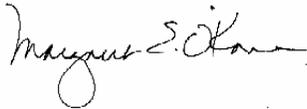
These activities have been repeatedly shown to improve health care quality and to save lives and avoid suffering. For example, a recent study by Morisky et al (2009) demonstrated the positive impact of a disease management program on a group of Medicaid patients in Florida. Results of the study showed that patients enrolled in a disease management program improved their ability to control their hypertension, manage their asthma symptoms, and reduce their cholesterol and blood glucose levels. Performance measurement has improved care for diabetes, heart disease, high blood pressure and high cholesterol saving 165,000 to 272,000 lives.

January 29, 2010
Page 2

We urge you to include this language in any future health care reform vehicle as well as to add report language that provides examples of patient care activities that improve quality – specifically expenses related to wellness and health promotion, care coordination, disease management, accreditation, activities supporting health information technology, and reporting quality measures.

Thank you for your consideration of this important issue. We stand ready to provide additional resources as you consider legislation to improve health care quality and delivery. Please feel free to reach us at either NCQA (202) 955-3500 or DMAA: The Care Continuum Alliance (202) 737-5309.

Sincerely,



Margaret E. O'Kane
President
NCQA



Tracey Moorhead
President and CEO
DMAA: The Care Continuum Alliance