



March 24, 2011

By Email via MLRAjustments@hhs.gov

Mr. Steven Larsen
Deputy Administrator and Director
Center for Consumer Information and Oversight
Department of Health and Human Services
7500 Security Boulevard, Mail Stop C2-21-15
Baltimore, MD 21244-1850

RE: Request by State of New Hampshire for Medical Loss Ratio Waiver

Dear Mr. Larsen:

On behalf of the New Hampshire Hospital Association (NHHA), with its 32 acute care and specialty hospital members, we appreciate the opportunity to comment on the State of New Hampshire's request for an adjustment of the Medical Loss Ratio (MLR) Standard in the individual insurance market.

As you know, the purpose of the minimum medical loss ratio provisions in the health care reform law was to encourage health insurance companies to spend a larger portion of their customers' premium dollars on medical care. This provision was developed after extensive analysis of the medical loss ratio data that health insurance companies report to state regulators. The purpose of the legislation was to give insurers that were not meeting the minimum ratios an incentive to provide their customers a better value for their premium dollars.

We are concerned about the State's request for a waiver of the MLR requirement because it does not support these incentives. In fact, we believe the waiver request will result in too significant a reduction in the MLR requirement of 80%, which NHHA supports and provided comments in that regard to the agency when the standards were first proposed. Furthermore, it is unclear that the application of the 80% MLR standard would destabilize the individual market in New Hampshire. However, if the Center for Consumer Information and Oversight determines that the waiver is warranted we would ask that you consider an incremental phase-in to provide a more measured, but certain, movement to the new standards under the health care reform law.

Consumers that are covered by individual insurance plans could be negatively impacted by the approval of the waiver and we do not believe it is in their best interest or in the best interest of the overall insurance market place to allow the waiver to be approved.

We appreciate your consideration of our comments. Please contact me directly or Paula Minnehan at pminnehan@nhha.org or 603-415-4254 if you have any questions about our comments.

Sincerely,

A handwritten signature in cursive script that reads "Steve Ahnen".

Steve Ahnen
President