



The Honorable Kathleen Sebelius  
Department of Health and Human Services  
200 Independence Avenue, S.W.  
Washington, DC 20201  
*Via email to MLRadjustments@HHS.gov*

January 18, 2012

Dear Secretary Sebelius,

The Public Interest Law Section of the State Bar of Wisconsin<sup>1</sup> appreciates the opportunity to provide comment on Wisconsin Commissioner of Insurance Ted Nickel's medical loss ratio waiver request. The overall purpose of the Public Interest Law Section is to provide a way for public interest lawyers statewide to discuss and promote public interest issues and concerns and to encourage the participation of State Bar members in providing public interest services to the people of Wisconsin. The Section hopes to guide public policy and increase the capacity of Wisconsin lawyers to advocate for low-income clients.<sup>2</sup>

The Public Interest Law Section opposes Commissioner Nickel's medical loss ratio waiver request. Commissioner Nickel has requested a waiver seeking an exemption from the federal law that requires health insurers to spend at least 80 cents of every dollar collected in customer's premiums on medical care. Commissioner Nickel said a gradual phasing in of the medical loss ratio requirement would protect consumers who would otherwise "lose access to meaningful choices and affordable coverage." However, the benefits to consumers of the medical loss ratio rule far outweigh concerns. Overall, customers are paying too much of their premium toward non-medical costs and are getting little value in return for their money. Consumers would benefit from lower premiums, a more efficient marketplace, and improved transparency of insurance industry costs. In reality, the Commissioner's request protects the small market insurance industry at the expense of consumers.

Under health reform, Wisconsin consumers would be awarded rebates of over \$14 million dollars to compensate for the inefficiencies of insurance companies, such as Golden Rule and Time Insurance who are struggling in Wisconsin to meet a medical loss ratio of 70%. Commissioner Nickel said he would prefer if the \$14 million was instead retained by the insurance companies.

Finally, the Commissioner conducted no real investigation into the potential impact of the medical loss ratio rule, failing to consider the views of policyholders and consumer representatives or prove a destabilized individual market. His request was instead designed to promote the opinion of industry representatives and insurance agents who overwhelmingly supported an adjustment.

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<sup>1</sup> The Public Interest Law Section Mission Statement is to provide a forum for public interest lawyers statewide to discuss and promote public interest issues and concerns; to encourage and strengthen the interest and participation of State Bar members in providing public interest services to individuals and groups; and to advance the visibility and viability of public interest law.

<sup>2</sup> The most critical areas of need we have prioritized include: public benefits, health care, housing, consumer rights, guardianship, mental health commitments, disability law, elder rights, civil rights, liberty issues and other issues which impact on the health, safety and welfare of low-income or otherwise underrepresented members of the public.

Unemployment, uninsurance, and medical debt are affecting our state and its residents. More people are struggling and are in need of a voice in our government and in our court system. Those of us who care about public interest law and the underrepresented join together to make the needs of those without voices heard. We join together today to urge you to prioritize consumer rights and protections in our state over an unwarranted request by our Insurance Commissioner. Thank you for this opportunity to provide comment.

Sincerely,

Public Interest Law Section of the State Bar of Wisconsin

A handwritten signature in black ink, appearing to read "Brynne". The signature is written in a cursive, flowing style.

Brynne McBride  
Chair-Elect/Legislative Committee Chair