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Topeka, KS 66607

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Partners in America's Poverty Fighting Network

April 27, 2011

Commissioner Sandy Praeger
Kansas Insurance Department
420 SW 9th Street
Topeka, KS 66612

Dear Commissioner Praeger,

The members of the Kansas Association of Community Action Programs (KACAP) are very interested in how the Affordable Care Act will be implemented in Kansas and the impacts it will have on our citizens, particularly those in the middle and lower class segments of our state. I'm writing today to specifically express concern over two steps being considered that could seriously undermine the medical loss ratio (MLR) provision of the Affordable Care Act and negatively impact all Kansas consumers.

While a healthy business perspective is important, of equal import is the capacity of health care consumers to effectively purchase and access quality health care and health insurance. Consideration must be given to those who are impacted by the power and force of large corporate interests. As you know, the Affordable Care Act requires insurers to spend a reasonable share of consumers' premium dollars on actual medical care and quality improvement, or, to provide rebates to policyholders. This important provision of the health reform law makes critical strides towards holding insurance companies accountable for what their use of consumers' premium dollars.

KACAP is not supportive of Kansas seeking an MLR waiver from the U.S. Department of Health and Human Services. There is little evidence that the MLR requirement, as written in the health reform law, will destabilize the insurance market in our state. Kansas should seek to protect the individual consumers in this issue and not seek a waiver from such an important portion of the health reform law.

KACAP is also concerned about the Access to Professional Health Insurance Advisors Act of 2011, which is being considered by the National Association of Insurance

KACAP Member Agencies and Board of Directors

City of Wichita - Career Development Office

Community Action, Inc.

East Central Kansas Economic Opportunity Corporation

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Mid-Kansas Community Action Program

Northeast Kansas Community Action Program

Southeast Kansas Community Action Program



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Commissioners (NAIC). The proposed federal legislation would exclude agent and broker commissions from the MLR calculation and allow MLR waivers in the small group market. This legislation would do nothing to improve quality and value for consumers, control administrative costs, or ensure that consumers' premium dollars are being used wisely. The proposed legislation could even lead to increased costs for consumers. We are hopeful that you will work with your colleagues at NAIC to reject this legislation.

As we move forward with implementation of the Affordable Care Act in Kansas, retaining the reforms in the law that protect the interests of consumers is vital. Everyone and each sector of our society has to play a part in the necessary changes that our country's health care system must endure in order to achieve true reform. True reform means making health care affordable, accessible, and effective. The MLR requirement is an important part of health reform that should not be weakened.

KACAP thanks you for your ongoing efforts to include the interests of consumers and advocates are not forgotten in this important work.

Sincerely,

Tawny Stottlenire, CCAP
Executive Director

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