

KANSAS HEALTH CONSUMER COALITION



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The Honorable Kathleen Sebelius
Secretary of Health and Human Services
2000 Independence Avenue, S.W.
Washington, DC 20201

December 8, 2011

Dear Madam Secretary:

I am writing to ask that you reject Kansas's request to adjust the MLR standard to 70 percent, 73 percent, 76, and 80 percent in 2011, 2012, 2013, and 2014 respectively.

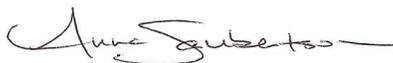
The Affordable Care Act requires insurers to spend a reasonable share of consumers' premium dollars on actual medical care and quality improvement. If insurers fail to comply with these standards, they will have to provide rebates to policyholders. This provision of the health reform law is making important strides towards holding insurance companies accountable for what they do with consumers' premium dollars. Furthermore, consumers in Kansas could receive more than \$16 million in rebates if insurance companies fail to meet the MLR standard.

I recognize that to comply with the MLR standard, insurance companies may need to adjust aspects of their business practices. However, I have not seen evidence that the MLR standard will destabilize the insurance market in our state. Moreover, the insurers that provide coverage to the majority of consumers in the individual market have not indicated any intention of exiting.

As we move forward with implementation of the Affordable Care Act in Kansas, retaining the reforms in the law which protect the interests of consumers is vital for the law to work the way it was designed. The MLR requirement is an important part of health reform that we should not weaken.

I thank you for your continued dedication to affordable, quality health care coverage. I hope that we can continue to strengthen our health insurance system in a way that protects and empowers consumers.

Sincerely,



Anna Lambertson
Executive Director