



June 16, 2010

David Blumenthal, M.D., MPP  
National Coordinator  
Office of the National Coordinator for  
Health Information Technology  
U.S. Department of Health and Human Services  
200 Independence Avenue, S.W.  
Washington, D.C. 20201

Dear Dr. Blumenthal:

The Health IT Now Coalition is writing to express our concerns that a narrow definition of the calculation and reporting of medical loss ratios (MLRs) could have a detrimental effect on the adoption and use of health information technology.

The Health IT Now Coalition is a broad-based group with a singular focus: promote the adoption and use of health information technology (health IT) to improve care quality and outcomes and to reduce costs. Our membership is diverse; it includes nearly 60 organizations and businesses representing health care providers, small businesses, large employers, unions, patient advocates and consumers, insurers, brokers and agents, and others that share our view. We all acknowledge that health IT holds the potential to reduce costs, improve health care and literally save lives.

We are greatly encouraged by the Administration's strong commitment to health IT and its potential to dramatically improve the health care system. This dedication is readily apparent in the implementation of the Health Information Technology for Economic and Clinical Health Act (HITECH Act). As the meaningful use incentives and certification programs are developed through the regulatory process, and as many providers weigh the benefits and burdens of adoption and use, it is more important than ever that barriers to adoption are cleared away.

One potentially damaging barrier is the definition of the MLR, which is currently being considered by NAIC and HHS. As you are aware, Sections 1001 and 10101 of the Patient Protection and Affordable Care Act (PPACA) added Section 2718 to the Public Health Service Act to require health insurers to calculate the percentage of premiums that are paid for clinical services and activities that improve health care quality, and pay rebates if this percentage does

not meet a minimum level. The definition and regulation of MLRs has been described by some as one of the most important aspects of health care reform implementation this year.

We agree, and are extremely concerned that a narrow MLR definition could exclude critical health IT functions from the equation. Care coordination, wellness and quality improvement programs like medical homes, accountable care organizations, health management and chronic care improvement programs often rely on health IT to coordinate across multiple providers. Congress recognized the value of these and other programs in PPACA, including quality reporting, effective case management, care coordination, chronic disease management, and medication and care compliance initiatives, hospital readmission programs, discharge planning, patient safety and medical error reduction strategies, wellness and prevention programs. We are concerned that if HHS defines health plan spending on health IT used for clinical purposes as administrative in nature, many plans will decrease or end spending on these programs altogether. This will make the health IT adoption path all the more difficult and unnecessarily harm programs intended to promote patient outcomes. We believe HHS and NAIC should delineate between IT spending that is administrative or operational in nature (i.e. claims processing platforms) and those that are specific to care coordination and quality improvement and help advance the quality agenda outlined in PPACA.

As you have often said, use of health IT is critical to improving the quality and efficiency of our health care system. We believe spending on health IT that promotes patient care should be recognized as “activities that improve health care quality” for the purposes of calculating the MLR under PPACA. We urge you to communicate with your colleagues that a narrow definition of MLRs will hurt IT adoption and use.

The Health IT Now coalition greatly appreciates the Administration’s demonstrated commitment to the benefits of health IT. We stand ready to assist you to ensure that a narrow definition of MLRs that adversely impacts the growing support of health IT used for care coordination and quality improvement is not implemented.

Sincerely,

Aetna  
Allscripts  
American Academy of Nursing  
American Heart Association  
American Telemedicine Association  
AmerisourceBergen Specialty Group  
Cerner Corporation  
Genetic Alliance  
Intel

National Association of Chain Drug Stores  
National Association of Health Underwriters  
National Association of Manufacturers  
National Retail Federation  
On-e Healthcare  
UnitedHealth Group  
Verizon  
WebMD HealthCorp.