

This Week in Health Care Reform: August 20, 2010

With both chambers of Congress on recess, the debate on health care reform, particularly whether it will increase costs for individuals and small businesses, has become a major issue on the campaign trail.

As opportunities arise during implementation of the health care reform legislation, we encourage you and others to engage members of Congress by visiting the [Health Action Network](#).

Health Care Reform

Resolution at NAIC Conference: On [Tuesday](#), the National Association of Insurance Commissioners ([NAIC](#)), as it met to develop the medical loss ratio (MLR) definition, approved a preliminary outline of what insurers will be able to consider as “medical costs”. The commissioners moved forward with a proposed “blank,” NAIC terminology for an insurers’ filing document, as well as 10 of 11 [proposed amendments](#), including amendments to include “public health marketing campaigns that are performed in conjunction with state or local health departments.”

The definition of “medical [costs](#)” has become a recent topic of debate due to the new health care reform law, which requires insurance companies to spend a certain percentage of their subscriber’s premiums on medical costs. Health benefit plans must spend at least 80 percent of premiums in the individual and small-group markets on health care and 85 percent for large-group plans. The plans must offer rebates to their customers if they fall short of those amounts.

A top official at America’s Health Insurance Plans ([AHIP](#)), the trade association representing the insurance industry, spoke out against the NAIC agreement. “The NAIC is conducting a transparent and thorough process as it develops the medical loss ratio (MLR) definition, but the current [proposal](#) could have the unintended consequence of turning back the clock on efforts to improve patient safety, enhance the quality of care and fight fraud,” AHIP president Karen Ignagni said in a statement. “Preserving patients’ access to high-quality health care services is essential if the key goals of health care reform are to be achieved.”

Large Companies Plan to Shift More Health Care Costs to Employees: According to a [report](#) by the National Business Group on Health, in an effort to control rising [costs](#) in health care, many of the nation’s largest [companies](#) are implementing new policies to comply with provisions of the health care reform law. As part of these measures, [63 percent](#) of the surveyed [companies](#) plan to institute wellness programs and transfer more of the premium costs to their employees.

Americans Lack Confidence in Health Care: In a recent survey conducted by the Robert Wood Johnson Foundation, Americans’ confidence in their own medical care has decreased since the law’s enactment in April. Unlike opinion polls, the foundation's

health care consumer confidence index is designed to measure public attitudes about access and affordability over a certain period of time. The [index](#) is based on two surveys, one that asks about the difficulties of paying for health care now, and the other focusing on concerns about future costs. Those who stand to benefit most from the new health care reform law – the uninsured, those in poor health and low income people – were pessimistic about both the present and future outlook for health care.

Public Opinion

Majority of Americans Favor Repeal: Support for repeal of the health care reform bill is at its highest level in over a month. According to the most recent [Rasmussen report](#), 60 percent of Americans favor repeal of the health care reform law, while 50 percent believe that repeal will be good for the economy.

Health Care Major Election Issue: In a newly released [CNN Poll](#), 83 percent of respondents said that health care reform was “[extremely](#)” or “very” important in determining their vote for Congress in the upcoming midterm elections.

Looking Ahead

Congress is in recess until mid September when lawmakers will return to Washington for a final, four week session before the midterm elections in November.