

From: **Angela Handa** <Angela.Handa@health-first.org>

Date: Thu, May 20, 2010 at 2:47 PM

Subject: Medical Loss Ratio - Comment

To: edFHIAB@gmail.com

Attn: Torre Grissom, OIR

I understand that the law allows for some flexibility for new or small plans and even addresses system run health plans such as the one I am proud to work for, Health First Health Plans. I am concerned that an additional burden may be placed on health-system owned plans thinking they have an advantage over non health-system run plans. In theory I understand the idea of it but I am here to tell you the advantages one may believe exists are not always in place. For example:

1) Our hospital system does not provide us with preferred pricing. Our rates are targeted to be competitive on par with other large carriers so no significant competitive advantage on this front.

2) We share resources with our system. Candidly we do share resources but the resources are sometimes less in line with a Health Plan's needs so we are forced to pay additional consulting dollars to compensate for the gap. For example, we are contracted with an outside firm for legal services.

3) We are asked to direct members to system resources when sometimes less expensive services are available to our members because we must consider the overall system financial impact. Clearly our competitors have an advantage over a system run plan if they are free to contract with the least expensive qualified provider for a service.

So how do we compete? The answer is by differentiating ourselves on quality, service and value as evidenced by our rankings, therefore I applaud the government on implementing payments tied to performance via the star program.

Lastly I am concerned about the role of the agent. I do believe they provide a good service but at the same time I question the amount of commission we have been forced to pay to be competitive with the national payers. So while I would like to preserve their role, I do think there is room to look at and redefine reasonable compensation rather than allowing their salaries to increase by a percentage of the underlying costs of healthcare. Transparency would help resolve this issue.

Thank you for the opportunity to provide input for Commissioner McCarty's consideration.

Sincerely,

Angela

Angela Handa
Vice President, Sales & Service
Health First Health Plans, Inc.
Office Number: (321) 434-5627
Fax Number: (321) 434-4362
angela.handa@health-first.org
www.healthfirsthealthplans.org

#####

This message is for the named person's use only. It may contain private, proprietary, or legally privileged information. No privilege is waived or lost by any mistransmission. If you receive this message in error, please immediately delete it and all copies of it from your system, destroy any hard copies of it, and notify the sender. You must not, directly or indirectly, use, disclose, distribute, print, or copy any part of this message if you are not the intended recipient. Health First reserves the right to monitor all e-mail communications through its networks. Any views or opinions expressed in this message are solely those of the individual sender, except (1) where the message states such views or opinions are on behalf of a particular entity; and (2) the sender is authorized by the entity to give such views or opinions.

#####