



American Cancer Society  
Cancer Action Network  
901 E Street NW, Suite 500  
Washington, DC 20004  
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March 25, 2011

Dear Representative:

The American Cancer Society Cancer Action Network (ACS CAN) is strongly opposed to H.R. 1206, legislation that would allow insurers to exclude broker commissions from their Medical Loss Ratio (MLR) calculations which would result in increased policy holder premiums.

ACS CAN, the advocacy affiliate of the American Cancer Society, supported many provisions of the Affordable Care Act (ACA) because they will lead to improved access to quality, affordable health care for many cancer patients who previously were denied such coverage. As the law is implemented at the federal and state level, we are advocating for regulations and state actions that will further improve access, affordability, adequacy of care and administrative simplicity to make insurance more transparent and comprehensible to consumers.

The MLR implementation recommendations developed by the National Association of Insurance Commissioners and subsequently accepted by the Department of Health and Human Services are fair and balanced and will contribute to making health insurance more affordable, comprehensible and transparent to consumers.

However, changes now being advanced by insurance agents and brokers would undermine these critical goals by:

- **Allowing insurance companies to exclude agent and broker commissions from the MLR calculation.** This will give insurers an artificially low calculation of administrative expenses which would permit them to reduce the value of medical benefits to policy holders.
- **Allowing waivers of the MLR in the small group market.** Currently, states can only apply for waivers in the individual market. Expansion to the small group market would hurt small businesses and their employees.
- **Increasing commission costs that will be passed on to consumers and employers in the form of higher premiums.** By excluding broker and agent fees from the MLR, virtually every insurance company in the country will be able to meet the MLR threshold without improving customer value, reducing administrative waste, or requiring insurers to spend more of consumers' premiums on medical expenses. This could also deny consumers nearly \$1.4 billion in lost rebates, and could result in higher, less affordable premiums.

The Affordable Care Act promised to make insurance more affordable and responsive to consumers by making sure they receive fair medical benefits in return for the premiums they pay. This legislation would put more money into the pockets of brokers and agents and cut the value of those patient benefits.

We urge you to oppose H.R. 1206. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Christopher W. Hansen".

Christopher W. Hansen  
President  
American Cancer Society Cancer Action Network