

February 7, 2011

Last week Congressman Buschon wrote a community comment regarding his views on Healthcare Reform, Patient Protection and Affordable Care Act (PPACA). As an industry we are extremely pleased with Dr. Buschon's understanding of health care delivery in the United States. The recent repeal of the 1099 reporting requirements are certainly a move the right direction to common sense modifications to the law. The 1099 reporting provisions required businesses to issue and file a 1099 tax form to any individual or corporation that had more than \$600 in goods or services rendered in a tax year beginning in 2012.

Another financially, job crippling burden of PPACA is the Medical Loss Ratio (MLR) provision that requires a percentage of health coverage premium revenue spent on health care and quality improvement efforts, to be at least 80% for individual and small group health coverage and 85% for large group coverage. This provision has a devastating impact on insurance carriers who operate on a razor thin profit margin that already accounts for claims payment, overhead, payroll, and agent commissions. The MLR minimum ratio should not contain agent commissions as an administrative expense. This is a critical time for small employers to have a licensed professional to guide them through the changing health care landscape. In many instances the agent essentially acts as an HR department for many small businesses. The minimum MLR also will eventually lead to less competition in the marketplace and raise prices for everyone in a time when most small employers can least afford it.

Please write your congressional delegate and ask them to consider the minimum MLR requirements when debating health care repeal and reform.

Jill Ross Dear



Southwestern Indiana Association of Health Underwriters