



AMERICAN ACADEMY OF
FAMILY PHYSICIANS
STRONG MEDICINE FOR AMERICA

April 4, 2013

Marilyn Tavenner, Acting Administrator
Centers for Medicare & Medicaid Services
Department of Health and Human Services
Attention: CMS-4173-P
P.O. Box 8013
Baltimore, MD 21244-8013

Re: Medical Loss Ratio Requirements for the Medicare Advantage and the Medicare Prescription Drug Benefit Programs

Dear Administrator Tavenner:

On behalf of the American Academy of Family Physicians (AAFP), which represents more than 105,900 family physicians and medical students nationwide, I write in response to the Medical Loss Ratio Requirements for the Medicare Advantage and the Medicare Prescription Drug Benefit Programs [proposed regulation](#) released by the Centers for Medicare & Medicaid Services (CMS) in the February 22, 2013 *Federal Register*.

This proposed rule pertains to implementing the medical loss ratio (MLR) requirements for the Medicare Advantage (Part C) program and the Medicare Prescription Drug Benefit (Part D) program as required by the *Affordable Care Act*. The MLR is expressed as a percentage, generally representing the percentage of revenue used for patient care, rather than for such other items as administrative expenses or profit. Under new requirements, Part C and D sponsors are required to report their MLR, and are subject to financial and other penalties for a failure to meet a new statutory requirement that they have an MLR of at least 85 percent. The *Affordable Care Act* requires several levels of sanctions for failure to meet the 85 percent minimum MLR requirement, including remittance of funds to CMS, a prohibition on enrolling new members, and ultimately contract termination.

The AAFP continues to support implementation of MLR requirements and we likewise support the application of these policies onto Part C and D sponsors since it will help ensure that health care finances are focused on patient care rather than insurer profits.

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We appreciate the opportunity to provide these comments and make ourselves available for any questions you might have or clarifications you might need. Please contact Robert Bennett, Federal Regulatory Manager, at 202-232-9033 or rbennett@aafp.org.

Sincerely,

A handwritten signature in black ink that reads "Glen Stream MD". The signature is written in a cursive, flowing style.

Glen Stream, MD, MBI, FAAFP
Board Chair