



Kaiser Foundation Health Plan, Inc

August 10th, 2010

Submitted Electronically: <http://www.regulations.gov>

Office of Consumer Information and Insurance Oversight
Department of Health and Human Services
Attention: OCIO-4150-IFC
Baltimore Maryland 21244-1850

Re: *Interim Final Rules for Group Health Plans and Health Insurance Issuers Relating to Dependent Coverage of Children to Age 26 Under the Patient Protection and Affordable Care Act*

Dear Sir or Madam:

Kaiser Permanente offers the following comments in response to the above-captioned Interim Final Rules (“IFR”), issued in the *Federal Register* on May 13, 2010. Kaiser Permanente is the largest private integrated healthcare delivery system in the U.S., delivering health care to approximately 8.7 million members in nine states and the District of Columbia. Kaiser Permanente comprises Kaiser Foundation Health Plan, Inc., the nation’s largest not-for-profit health plan, and its health plan subsidiaries outside California and Hawaii; the not-for-profit Kaiser Foundation Hospitals which operates 36 hospitals and over 400 other clinical facilities; and the Permanente Medical Groups, independent physician group practices that contract with Kaiser Foundation Health Plan to meet the health needs of Kaiser Permanente’s members. Most pharmacy, diagnostic, and laboratory services delivered to Kaiser Permanente members are performed within Kaiser Permanente.

Kaiser Permanente believes that the Patient Protection and Affordable Care Act (PPACA) can serve as an important step towards achieving universal coverage in the United States and towards establishing reasonable market rules that will allow plans to compete on quality and cost rather than on risk avoidance. The extension of dependent coverage to children under 26 years of age is an important component of this. Kaiser Permanente implemented that coverage earlier this year, well in advance of the mandate taking effect.

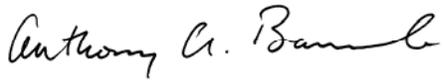
Kaiser Permanente requests clarification on the rules relating to the premium that may be charged for dependents covered under the new rules in the individual market. In the individual market, as permitted in most states today, premiums for family coverage take into consideration the ages of the covered family members. We do not believe that the group examples in the IFR are intended to be construed as prohibiting consideration of age in establishing premiums in the

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individual market, so long as no “surcharge” is imposed on dependents older than 18, and so long as a young adult enrolling during the special enrollment period provided for under the IFR is not required to pay more than a similarly situated individual who did not have coverage because of the cessation or prior unavailability of dependent status. We urge the Secretary to clarify that carriers be permitted to rate dependents enrolled through the individual market in a manner consistent with existing state law and the protections identified in this paragraph.

We appreciate the opportunity to comment on this IFR. If you have questions or concerns, please contact me at 510.271.6835 (email: anthony.barrueta@kp.org).

Sincerely,

A handwritten signature in cursive script that reads "Anthony A. Barrueta".

Anthony Barrueta
Senior Vice President, Government Relations