

Public Testimony and Comments Regarding the 2015 Proposed Wellmark, Inc. Rate Increase Report

For Consideration by Commissioner Nick Gerhart, Insurance Division of Iowa

Prepared by Angel N. Robinson, Consumer Advocate, Iowa Insurance Division

August 23, 2014

I. Background

Iowa Code §505.19 sets forth procedures for health insurance rate increase requests exceeding the average annual health spending growth rate published by the Centers of Medicare and Medicaid Services (CMS). The procedures include a requirement that the Consumer Advocate solicit public comments on the proposed rate increase, provide the comments received by the public on the internet, and to present the public testimony and comments received to the Commissioner of Insurance for consideration before a decision is made on the proposed rate increase.

The Consumer Advocate was notified in July of 2014 that the Wellmark, Inc. companies, Wellmark Blue Cross Blue Shield of Iowa and Wellmark Health Plan of Iowa, were seeking an average rate increase of over 6.1%. The proposed rate increase for Wellmark Blue Cross Blue Shield the proposed rate increase is 14.5% and for Wellmark Health Plan of Iowa the proposed rate increase is 11.9%. The proposed rate increase will affect a combined total of 18,274 individual members. The rate increase is proposed to being in January of 2015. As the amount exceeded the most current average annual health spending growth rate, the Consumer Advocate solicited comments regarding the proposed increase.

II. Public Comments

The Consumer Advocate has received 24 comments and concerns directly from policyholders or members of the public. The notable trends are as follows:

- 66% commented on affordability
- 50% commented on the disparity between ACA plans and grandfathered plans
- 41% commented on the Wellmark's available funding and chosen spending allocations
- 41% Deny the increase
- 5% weary of Wellmark's increases

Other comments included:

- Too soon for an increase
- Will have to drop coverage
- Deny due to be over the average annual growth spending rate

III. Summary

The comments received and posted by today's date have been included in this testimony report as required by the Iowa Code section 505.19(3). However, comments may continue to be received until the Commissioner makes the final decision on the proposed rate increase. Any additional comments received prior to the Commissioner's decision, but after the presentation of the consumer testimony, will be recorded on the public rate hearing site.

Appendix A: 2015 Proposed Wellmark Increase Public Comment and Testimony

• *Terry Says:*

[July 11, 2014 at 11:50 PM](#) | [Reply](#)

ACA marketplace rates are 3 times higher than non-market place rates. The customer pays less, but govt subsidy pays the rest, in effect giving insurance companies a huge increase. Now they are asking for even more. Stock trends this past year suggest they should be making money hand over fist through investments, yet they still feel a need for a rate increase. Actuarial reviews should include TOTAL assets & liabilities, yet they don't. Any rate increase above federal inflationary rate should be laughed at and DENIED!



• *Terry Says:*

[July 13, 2014 at 2:12 PM](#) | [Reply](#)

DOW is up nearly 10% over past year, NASDAQ is up 23% and S&P 500 is up 17%. Unless Wellmark has an idiot for a financial advisor, the company has seen a substantial increase in revenues. Also adding to revenues could have been new clients with their premiums and govt subsidies.

The Health Research Institute projects costs rising 4.8% in 2015, twice the rate of overall inflation.

Given the the market performances this past year and projected cost increases for 2015, Wellmark (and the others) should be in a very good position to maintain it's business without any increase this year. If the actuarial report would include ALL revenue sources and amounts (as it does expenses and debts), it will be easy to see that Wellmark is in no need of an increase in 2015. But we all know there will be omissions. I would expect any increase be held below the HTI projection. Any thing over would be egregious!



• *Monica Shelter Says:*

[July 14, 2014 at 8:23 AM](#) | [Reply](#)

My name is Monica Donaldson and I have health insurance through Blue Cross and Blue Shield. What is the purpose of raising the health premiums? So we can dish out more money don't we do that enough? I'm a college student trying to make my way through college which is not cheap and so we live on one income right now, so that means my husband has to work more to make up the difference if you raise the premiums. I'm not a smoker I eat as well as I can and I don't go to the doctor unless I absolutely have to. I think that its safe to say that Thank you Obama for this because the Affordable Care Act is a freaking joke all it is, is welfare people thinking they have to pay for their insurance. If they are not working then how are they going to pay for it. Oh that would be the hard working people that have a job and are working that have to make up the difference. So what do insurance companies do hike up our insurance to pay for the dead beats. Up until two years ago I worked then I decided to go back to school and get a better job to better my life and my kids life. But you will make that impossible for me and others because I won't be able to finish college because I will just have to find a dead end job that

doesn't pay for anything. This makes me so mad that you want to do this I think you should not raise the premiums you are hurting hard working Americans that are trying to make a living and pay their bills.



- *Jason Kappos Says:*
[July 14, 2014 at 8:24 AM](#) | [Reply](#)

This is getting to be bull shit. They did the same thing with auto insurance. My rates have gone up 50% since making insurance mandatory in Iowa. I don't even have a single speeding ticket or claim on my record. I knew this would happen but of course they said "Oh no they won't do that." Iowa kisses the ass of all insurance companies. Until the state can protect me from sociopathic corporations, I will let my insurance lapse. I'm sick and tired of the government shoving shit down my throat and making me pay for it. I'm 51 years old and I will die for my freedom if I have to. They will have take haul me off to jail before I pay this much for insurance.



- *Robbie Leland Says:*
[July 14, 2014 at 8:24 AM](#) | [Reply](#)

Honestly, I think it's just wrong. The premiums are high enough as is it is. I've been on this policy for 4 months and they already want to up my premium by \$50 per month for one person. Blue Cross does this every year and even with the ACA it's ridiculous to increase rates like this. Being a cancer survivor I can't afford this. It's like I'm being penalized for surviving cancer now. The increase in cost of living is only 6%, this has to stop. I'm not on an ACA plan but I deserve to be protected too. Everyone deserves protection from these increases. Now you can't discriminate due to preexisting conditions but they clearly are singling me out because I had cancer 3 years ago. This is asinine and will bring this country to its knees. I can't help that I had cancer and I don't deserve to be penalized for it. This will put me right back to where I started before the ACA went into effect. Already over 50% of my annual income is going to pay for insurance alone. If I didn't have my husband's income, I would have to go on welfare. There is nothing left to cut out of my budget to make up for the increase in insurance. It's just ridiculous. As far as I'm concerned the commissioner is not listening to the policy holders otherwise they wouldn't approve these rate increases year after year. It's like Blue Cross has a monopoly and can do whatever they please.



- *Matt Dunlap Says:*
[July 14, 2014 at 8:25 AM](#) | [Reply](#)

To Whom It May Concern, I am sending this email to contest the proposed rate increase Welmark Health Plan of Iowa is proposing. I would request that this rate increase not be approved. Thank you.



- *Rhonda Capper Says:*
[July 14, 2014 at 8:25 AM](#) | [Reply](#)

I read the letter of the proposed increase to Wellmark's base premium rate and was shocked. How can ANY company raise it's rates by that amount? And I always had such admiration for this company?!

My opinion is that they waited until after thousands of people signed up for their insurance because of Obamacare and now that the time limit for that is over they can raise their rates as high as they want. Unfortunately, I am one of the members who needs health insurance because of chronic medical conditions. But I switched from HIPIOWA (which is the only coverage I could get previously) because Wellmark's plan would save me some money on premiums. Now I find that I could have skipped the hassle of changing companies and stayed with my expensive but very good insurance anyway. Raising premiums by such an overwhelming amount is ludicrous! No one gets an increase in their income to cover even HALF of that amount! Please indicate that these exorbitant increases need to STOP. Members can't absorb higher premiums. Thank you.



• *T A Hay* Says:

[July 14, 2014 at 11:54 AM](#) | [Reply](#)

Inflation is up by 10% since 2009, Wellmark premiums are up by 58% during same period. Wages have not kept with inflation and stock markets suggest investments have done VERY well the past two years, yet Wellmark tries to justify 5% to 14% increases for 2015.

Are increases only for small business and individual plans? Using Wellmark's numbers, that's only 253,000 of the 1.7 million it insures. I guess the other 1.2 million aren't part of Wellmark's cost equation.

Wellmark's own numbers say 220,000 Iowans will see an increase of \$216 annually, while another 33,000 will see an increase of \$432 annually. No mention of any increase for the remaining 1,500,000 Iowans insured by Wellmark. If all of Wellmark's 1.7 million were subject to the same increase, these 253,000 insured with private policies or thru small business, would see only a 50 cent to \$1 per month increase. The other 1.5M would see the same. But I guess the employees of the larger companies don't cost Wellmark as much. Or maybe Wellmark is just catering to big business.

When net income is above \$10M and reserves are five times that, I don't think the designation "not for profit" is appropriate.

The increase proposal is ludicrous and should be denied!



• *Leland Searles* Says:

[July 15, 2014 at 8:34 AM](#) | [Reply](#)

I am writing to express my opposition to the proposed 14.5% base premium rate increase proposed by Wellmark Blue Cross and Blue Shield of Iowa.

Recently I switched from a COBRA plan with Wellmark, during the course of which (over 5 years) I saw premiums rise a total of 25%. This rise greatly exceeded the inflation rate during the same period, and it far exceeded any cost of living increase I experienced in my annual income. I make health insurance a priority, but Wellmark soon will price me out of their insurance pool.

I changed over to a private-pay Wellmark plan that has a jump in premium from the COBRA plan and much higher deductible rates. What is more, it appears from the Explanation of Benefits forms I have received in the last few months that Wellmark somehow leverages even less payout to my providers than

it did previously.

That suggests to me that the company needs to look at its internal costs before gaining approval of this increase. I will list a few: the salaries of its executives and managers, costs associated with new management technologies that are purchased on the presumption of lowered costs, and costs of the new building in Des Moines. I know that Wellmark has denied that its insureds paid for that building, but I also worked in a corporate accounts receivable department at one time. I am quite aware that in-house bookkeeping is to some extent arbitrary.

My alternative to Wellmark is the Affordable Health Care Act coverage, which would significantly reduce my premiums. I do not know how troublesome a plan under the ACA would be, what with bureaucracies and such, but I do know of other federal plans that require, for example, annual reenrollments with different pharmaceutical coverages, with no choice for the insured. Therefore I am skeptical that I might find an equivalent plan under the ACA.

For these reasons – these knowns and unknowns – I lodge my protest to the proposed base rate increase, both to the size of it and to the stated need for any such increase.

Sincerely,

[my name below is valid as a signature, and it attests that I personally drafted this letter]

Leland M. Searles, Wellmark insured



• *Lorie Carrel* Says:
[July 17, 2014 at 11:18 AM](#) | [Reply](#)

To whom it may concern:

I was totally shocked when I received the notice of a 14.5% increase of my monthly premium. My increase would be \$74.50/ mo. if this is allowed.

I am on a fixed income and I can understand if the proposal would be 5 or 6%, but 14.5%? That is absolutely appalling for Wellmark to even consider.

So If this proposal is passed, I as a middle class citizen will suffer because of #1, The Affordable Care Act and #2 The Health Insurer Fee.

Thank you for reading my comments. Please consider a “deny” or at least a “negotiate” proposition.

Lorie Carrel



• *Mary Jenkins* Says:
[July 21, 2014 at 10:12 AM](#) | [Reply](#)

I am writing in response to the letter I received in regards to the 14.9% increase of my daughter’s premium starting January 2015. When I first took out her policy it cost \$81.50 each month then with the Obama reign the insurance went up to \$145 each month. My source of income is my retirement only and always stays the same monthly. A 14.9% increase would make it very difficult to pay my other bills and thus I would have to find another insurance elsewhere. With the economy where it is, I find it

outrageous! There is others who are on Medicaid and don't have to pay for this insurance and have very low co-pay costs. I'm in the range who have to pay for everything and made payments on a low income. I can't afford a 14.9% increase! Please work to discourage and stop such a high increase! If I can do more, please let me know. Thank you.



• *Darwin Hofmeister* Says:
[July 22, 2014 at 2:53 PM](#) | [Reply](#)

It looks like, according to this paper, that medical service will increase by 14.9% and I'm wondering how much of that is due to Obama care. It seems high compared to increases in previous years. I would like a breakdown of how these increases come about. It seems strange that Welmark states their administrative costs have gone down yet the rate still increases. In 4 months I will be 65 so I will be on medicare and it won't impact me largely but I still think that this is an unfair increase. My son-in-law is a doctor and they are talking about excluding medicare patients because they are not reimbursed in full for the treatment they give to them. Unfortunately this is something that may negatively impact me in the future. Thank you for your time.



• *Betty Cole* Says:
[July 24, 2014 at 11:47 AM](#) | [Reply](#)

Dear Consumer Advocate,

I am writing this letter in response to the notice of proposed premium rate increase sent out by Wellmark. I wish to add my opinion on this. I am 62 years old and receive \$901 in social security. I am currently paying \$555.77 per month in premiums for my health insurance. That doesn't leave enough money to live on. I can't imagine pay 14.5% more for premiums. I would like to have an increase like that on my social security. What percent of a person's income should be spent on health insurance? My comments are that I can't afford this increase. If insurance fraud could be lessened, the cost of premiums wouldn't have to raise so much.

Thank you for taking the time to read this letter.

Sincerely,
Betty A. Cole



• *T. Allan* Says:
[July 24, 2014 at 12:44 PM](#) | [Reply](#)

Just got a refund check for several hundred dollars from Wellmark. The accompanying letter said it was because Wellmark didn't meet the 80/20 split (med vs. admin). Yet somehow they try to justify an increase of 14.9% for 2015! Amazing!

The refund suggests costs are down (not rising as rapidly as Wellmark projects) but now they need more money to cover projected higher costs. This demonstrates Wellmark inability to approximate future

expenses. My check equated to an excess of over 5% per year since 2009. That's about half of the annual average per year increase I received from them. If they requested a rate increase of twice inflation most people would figure it reasonable. But last I checked the U.S. govt says inflation remains below 2%, making the 14.9% request extraordinarily high. Wellmark refunded millions this month – is the huge rate increase for next year a way to recoup those millions? The insurance commission(er) should not allow any rate increase over 4% for the coming year. I'm not sure that Wellmark's decision to not participate in the ACA market place, their stated reserves and recent history inflation rate can justify ANY increase.



• *Tom Porter Says:*
[July 28, 2014 at 1:19 PM](#) | [Reply](#)

I wish to provide input that I believe a subject increase in base rate is not warranted and not necessary for variety of reasons. These are:

1. Wellmark Blue Cross Blue Shield have not demonstrated they have exhausted all reasonable, or even any, means of efficiency improvement. As a matter of fact their hardcopy letter does not mention any attempts at efficiency improvement whatsoever. They should not be allowed to pass on their inefficiencies to pseudo-mandated customers, i.e. those of us paying for private insurance under “Obamacare.”
2. My highest monthly expense (greater than even my mortgage payment) for my wife and me is for medical insurance premiums using the Wellmark BCBS plan with an annual deductible of \$4750. And now Wellmark wants even more!!!? In my opinion premium increases should be out of the question....period! By the way, my annual insurance premium for this high deductible plan is approximately \$9500.
3. Any necessary economic shortfalls by Wellmark should also be requested to be remedied with federal funds under Obamacare. My medical insurance premiums have already been doubled under Obamacare, and any additional increases are just plain irrational.

Thank you for your consideration.



• *John Neipert Says:*
[August 4, 2014 at 8:30 AM](#) | [Reply](#)

Hello my name is John Neipert. I am writing to you about Wellmarks request to increase there base rate.I have been with them for 20+ years. They have increased their rates every year, from 12 – 38%. I am a small business owner for 23 years. If I raised my rates like Wellmark I would be charging over \$200 per hour.

About the last 10 years after Wellmark gets ok to raise rates they redo my policy and I lose some of my coverage. They have ways to lower their rates without losing coverage. At the rate they are going I will not be aball to afford their rates, and I know I am not alone.

I have had no problem with them until last year win I had an emergency.

Thank You:
John Neipert



• *Terry Says:*

[August 4, 2014 at 10:24 AM](#) | [Reply](#)

Wellmark suggests that only 253000 will see increases. That's out of 1.7 million clients. If the average rate increase is 7% for these 253K, the company could generate an equal amount of revenue by increasing the rate for all 1.7M by only 1%. Why should 14% of it's clientele have to support the whole base? What is the rationale that only individual and small business policies should be effected?

The past 5 years Wellmark has overcharged (refund checks issued in July) it's premiums. What makes this year any different? These questions should be asked by the commission before ANY rate increase is approved!



• *Jim Billmyer Says:*

[August 5, 2014 at 8:09 AM](#) | [Reply](#)

The base(premium) increase of 15% is very substantial and I will cause financial stress for thousands of Iowans...Unlike other consumer discretionary products and services policy holders have have limited means of "shopping" for better rates..A plan for a family of four that is not subsidized could approach maximum premium exposure(Max out deductible) of \$24,000 per year.. It is interesting to note that most businesses that increased prices by 15% would be concerned about a loss of revenue... this disconnect of concern illustrates the pricing power of an Insurance company that has the major market share in the state...Jim Billmyer ,Iowa



• *Timothy Armstrong Says:*

[August 12, 2014 at 1:27 PM](#) | [Reply](#)

I am writing in regards to Wellmark's proposed base rate increase. I am opposed to the 14.5% increase. In an economy in which income is lagging in terms of buying power, all types of increases burden my family. I consider myself middle class, and it seems as if we receive no relief in comparison to those who are subsidized, or those who are wealthy. We are not extravagant in our spending, always searching for ways to cut costs, but any type of premium increase burdens us further. Perhaps if some cutting was done at the top, getting rid of the layers of bureaucracy, this would be an initial step in the right direction for premium increase relief, but the chance of this happening is nil. Insurance is valuable, a necessity, but the constant rate increases are stressful to my family, we need relief.


Respectfully,
Tim Armstrong




• *John Bouchaute Says:*

[August 14, 2014 at 3:41 PM](#) | [Reply](#)

I'm writing to you about Wellmark Blue Cross and Blue Shield of Iowa wanting to raise its base premium rate by 14.5%. I am 53 years old, and my wife is 59. I personally pay for our insurance because its not provided by our employers. This amounts to \$11,168.28 per year for health insurance that pays 60% after we each reach a \$4,000 deductible. This means \$5.37 per hour to pay my premium. I hope you DO NOT approve them wanting over \$6.00 an hour from me!

-  *C. A. Doane* Says:
[August 19, 2014 at 1:07 PM](#) | [Reply](#)

I have delayed writing in regards to the proposed latest Wellmark rate increase, assuming I would receive a notice from them that I would be one of the policy holders affected by the 11.9% to 14.5% requested increase. I have an older Wellmark plan, Blue Value, but I lost my grandfathered status after Obamacare took effect because I had made a change to my plan to save money on the premium. I called Wellmark August 16, 2014 to ask about it and the customer service representative said their internal document showed that the proposed higher rate increase only affects the ACA compliant plans that were issued January 1, 2014. So consequently I have no idea if I will receive the smaller increase or the larger but I would assume the larger increase, as my plan is non-grandfathered. When I do receive the larger increase, I don't know what I'll be doing, as I really can't afford any more of these constant rate increases. President Obama keeps changing all the "rules" any way and the whole thing is just a mess. Yes, I could go online and check Co-Opportunity Health and Coventry but I do not have a computer and have no plans to get one. Last year I talked to an insurance agent in Newton and tried to get information on the new ACA plans, all they gave me was general facts and the fact it would be double what I am paying now for worse coverage. I like to read and review things before I make a big decision and you can't really do that when you don't have online access and there is not any literature available. It's the same thing with signing up or getting subsidies (which I do not want). How can I do that online when I don't have access? I also think it is not right that Wellmark is not going to be on the health exchange again this year, when they had announced last year that they fully planned to be. I would think it would be nice to compare Wellmark prices and plans with Co-Opportunity and Coventry and it's not right for Wellmark not to be on it. However, I read in the Des Moines Register June 29, 2014 that Wellmark is proposing a new "Blue Reward" program that is a network of Wellmark, Unity Point, and Hy-Vee. Even if I had my health care in Des Moines, I would not even consider that program because I do not think it is fair that the proposed plan would only use Hy-Vee as the pharmacy for the plan. Hy-Vee is in everything. They don't need to have a monopoly on pharmacy with Wellmark and Iowa Methodist and out a local pharmacist out of business because they can't compare with Hy-Vee on prices. Hy-Vee doesn't need it, a small business owner does. Wellmark can come up with that new plan and yet skip the health care exchange again. Just doesn't seem right. Omabacare has not helped rising healthcare costs or made anything more affordable or easier to access. It is all wrong and I don't think any of these health insurance companies need to raise their rates so much every year and expect it to be fair and affordable. Something needs to stop. Insurance is not meant to be a fight and struggle and too much money for anyone.

-  *Wayne Smith* Says:
[August 19, 2014 at 4:25 PM](#) | [Reply](#)

It's getting to the point, and I have farm ground, and I'm gonna have to sell land just to keep with these prices. 12-15 years ago it was 1\$80 per month and then it went up to \$940. I was able to change it because of pre-existing condition and it dropped to about \$600 each month. With this increase it'd be back up another \$200 per month. How in the world can anyone survive like that. There are a few other things I'd like to buy other than health care. I thought this ACA was supposed to make it cheaper, not more expensive. There's no way we can keep up with this. God almighty, I can't wait to get to Medicare. I never dreamt this in my wildest dreams that I'd be paying this much for health insurance. Here's another deal, I bet the CEO's of these companies are making multi-million dollar salaries. Nobody is worth that kind of money, you know. Something is wrong with this country and we're sick of paying these kind of wages. It's borderline insurance fraud in my opinion, only somehow it's legal. There's different forms of stealing, some are legal and some aren't. Years ago, no lie, my folks bought health insurance for the whole family and it wasn't more than \$120 and now it's gone up almost 10 fold. What's a guy supposed to do? You either gotta be super rich or super poor to make it in this country.



• *Lori Strong Says:*

[August 20, 2014 at 11:23 AM](#) | [Reply](#)

I am writing this letter on behalf of my 15 year old daughter who is insured through Wellmark Blue Cross and Blue Shield of Iowa.

We recently received a letter notifying us of a possible 14.5% rate increase.

I do not have insurance through my employer and insure my daughter through other companies outside employment. We have been with Wellmark for 1 year. The first 6 months of the year we paid \$142.78 per month. The rate increased the last 6 months of the year to \$172.17. This is an increase of \$29.39 per month in less than 6 months! And Wellmark wants a 14.5% additional increase!

I have worked in healthcare treating cancer patients for 22 years. I agree that the healthcare system needs some work; however, I also work daily with patients and their insurance companies and watch as they struggle to get procedures and treatments denied by their insurance companies who have no medical knowledge. I also have family members who have worked in insurance companies for 30+ years and I know that these rate increases are not going towards their salaries and benefits.

Recent financial reports show that average compensation for the CEOs of Fortune 500 health insurance companies have increased by more than 19 percent in 2013 and have doubled for some of the largest insurers. The report is attached to this letter. People should be compensated fairly for their work; however the majority of middle class Americans are doing without raises or seeing increases of only 1-3% in their salaries, while the salaries of these CEOs are being subsidized by these astronomical health care premiums and by denying medical care to the patients they are supposed to be working for.

As the Consumer Advocate I ask that you and the independent consultant take into consideration these figures before making a decision that will negatively impact many of the families and patients living in Iowa.

Sincerely,

Lori Strong



• *Craig Nordyke Says:*
[August 20, 2014 at 3:52 PM](#) | [Reply](#)

Mr. Commissioner,

I am a recent purchaser of an individual Wellmark policy in 2014. I chose Wellmark rather than utilize the policies on the government exchange primarily because of the extensive networks with Blue Cross and Blue Shield. I was not surprised to see a rate increase, but I would like to submit my objections to the proposed magnitude of the base increase. As I understand it, the proposed increase applies only to approximately 19,000 policies purchased under the Affordable Care Act which would imply new policies and perhaps many new policyholders. Wellmark made it clear in 2013 that they were not raising premiums for 2014 issues. On the surface, this would seem to be a bit of an enticement to obtain new policyholders and now in 2014, a significant increase is being proposed for those policyholders. It may also be that since the government has extended the period to require all policies to be under ACA rules, this recent group is adversely being affected due to the large block of grandfathered individual policies that could have mitigated the increase. What will happen to the rates for the new ACA policies once the compliance of more of the existing non compliant policies are included? Is this a permanent cohort or will there eventually be a broader spread of risk in the rating process? These issues should be considered into the evaluation of this rate increase.

Presumably, the medical costs for these policies were impacted by the previously uninsured individuals. That would imply an increase in costs that should have been anticipated in the original pricing or ideally spread over a much larger block of policies. What seems unusual with this proposal is that after just 6 months of experience under ACA with this group of policyholders, that a substantiated trend can be anticipated. Should there have been an initial impact on costs by previously untreated conditions, that trend should diminish. It is also known that medical costs and utilization do vary by month and it could be possible that costs would moderate after the initial new buyer impact. These issues may already be factored into the proposed increase, but that judgment should be analyzed. It is good to see that Wellmark is lowering their components for administrative fees and operating margin with this increase and that is appreciated.

Mr. Commissioner, thank you for the opportunity to present these comments and I appreciate your thorough scrutiny of the proposed increase.

Cordially,

Craig Nordyke