

BEFORE THE IOWA INSURANCE DIVISION

- - - - -X
 IN RE: :
 : PUBLIC HEARING
 GOLDEN RULE INSURANCE :
 PROPOSED 2015 RATE INCREASE :
 - - - - -X

Mercy College of Nursing
 Sullivan Center
 928 Sixth Avenue
 Room 210
 Des Moines, Iowa
 Saturday, December 6, 2014

The above-entitled matter came on for hearing at 10 a.m.

BEFORE: NICK GERHART, Insurance Commissioner

Also Present: ANGEL ROBINSON, ESQ.
 Consumer Advocate
 Iowa Insurance Division
 Two Ruan Center
 601 Locust, 4th Floor
 Des Moines, Iowa 50309-3738

 JULIANNE LAWRENCE
 Iowa Insurance Division

THERESA KENKEL - CERTIFIED SHORTHAND REPORTER

P R O C E E D I N G S

1
2 COMMISSIONER GERHART: Good morning,
3 everybody. My name is Nick Gerhart, Commissioner of
4 Insurance for the State of Iowa. We are here this
5 morning for the Golden Rule proposed insurance rate
6 increase for 2015.

7 Just some preliminary matters before we get
8 going: The restrooms are outside in the hall; if you
9 are going to speak this morning, we're going to do it
10 one at a time.

11 We do have some remote locations outside of
12 Des Moines. Those are Burlington, Council Bluffs,
13 Cedar Rapids, Fort Dodge, Mason City, and Spencer.
14 So we will be talking to the folks here in Des Moines
15 first, and then we will go to any sites, if there are
16 any comments there.

17 So with that out of the way, I'm going to
18 turn it over to Angel Robinson, the Consumer
19 Advocate. And she has reminded me to remind you to
20 not depress your microphone so we can have it all
21 transcribed and hear everybody.

22 Thank you, Angel, for that reminder.

23 MS. ROBINSON: Thank you, Commissioner. I
24 would also remind everybody in the remote locations
25 that you must depress the microphone to speak. All

1 the microphones are live at all the locations.

2 We would also ask that you state your name
3 before you speak, as this is being transcribed. In
4 order for the court reporter to accurately take your
5 statement, she must have your full name.

6 Good morning. My name is Angel Robinson,
7 Consumer Advocate for Insurance. I thank you for
8 allowing me to come today to present the testimony
9 submitted on behalf of this proposed rate increase
10 for Golden Rule Insurance, a United Healthcare
11 company.

12 Golden Rule contacted me as of October of
13 this year to notify me that they were proposing a
14 rate increase that would exceed the Centers of
15 Medicare and Medicaid Services' average annual health
16 spending growth rate as published this current year.
17 That rate is 6.1 percent, and Golden Rule was seeking
18 a rate increase of 19 percent.

19 A proposed rate increase would affect
20 over--slightly over 1,000 covered lives, and the
21 increase would go into effect as of April of 2015.

22 As required by Iowa law, for at least a
23 six-week period of time, we have solicited comments
24 from the public and from affected policyholders. We
25 received one comment, and the comment was in regard

1 to the rate increase history with Golden Rule, which
2 has had a record of some double-digit rate increases
3 in the past recent years. The consumer who submitted
4 the comment commented that his policy has doubled
5 over the last five years.

6 As that was the only comment I received, I
7 don't have any trends to report to you today, but I
8 would like to remind all of the attendees at the
9 remote locations and for the record that we will
10 continue to take comments, consistent with Iowa law,
11 until the Commissioner makes his final decision on
12 the proposed rate increase. You can submit your
13 comments in any form to myself, the Consumer
14 Advocate, and you can also post comments directly on
15 the website. That website is going to be
16 iainsuranceca.wordpress.com--

17 COMMISSIONER GERHART: Wordpress.

18 MS. ROBINSON: --wordpress--thank you--
19 wordpress.com.

20 COMMISSIONER GERHART: Thank you, Ms. Robinson.

21 Now we're going to give any other interested
22 party an opportunity to make comments. Seeing as we
23 don't have anybody here in Des Moines, I'm going to
24 go to Burlington to see if there's anyone in
25 Burlington who would like to make comments.

1 (No response.)

2 COMMISSIONER GERHART: Hearing none, I'm
3 going to go to Council Bluffs.

4 UNIDENTIFIED VOICE: No consumers in
5 attendance.

6 COMMISSIONER GERHART: Thank you.
7 Cedar Rapids next.

8 (No response.)

9 COMMISSIONER GERHART: Fort Dodge?

10 UNIDENTIFIED VOICE: No consumers in
11 attendance.

12 COMMISSIONER GERHART: Thank you.
13 Mason City?

14 UNIDENTIFIED VOICE: No consumers here.

15 COMMISSIONER GERHART: Thank you.

16 And Spencer is the last city we have.

17 (No response.)

18 COMMISSIONER GERHART: Now we're going to
19 hear from the company.

20 Scott Williams, I believe you're on the
21 phone; correct?

22 MR. WILLIAMS: I am. Thank you,
23 Commissioner.

24 COMMISSIONER GERHART: Thank you, Scott.

25 MR. WILLIAMS: Yes. I'll go ahead and get

1 started, if that's all right with you?

2 COMMISSIONER GERHART: Please do.

3 MR. WILLIAMS: Good morning. I'm Scott
4 Williams. I am the vice-president of sales and
5 account management for United Healthcare in Iowa and
6 Central Illinois.

7 Thanks for the opportunity to be here and to
8 listen to comments and represent United Healthcare,
9 Golden Rule as a carrier.

10 As you are aware, United Healthcare's Golden
11 Rule Insurance Company filed a request for a rate
12 adjustment of 19 percent for the proposed effective
13 date of April 15th, 2015. This rate increase would
14 affect approximately 1,200 customers in the State of
15 Iowa.

16 The 19 percent we are filing is because of
17 expected medical costs for this population, and
18 expected loss on this book of business to continue.
19 There are obviously many factors that play into
20 health care cost trends and continue to or contribute
21 to cost increases for this plan, as well as many
22 plans across the country. Those key health care cost
23 trends that have affected this year's rate increase
24 would include increases in costs of medical services,
25 increased utilization, prior costs from deductible

1 leveraging, impacts of new technology, as well as
2 underwriting wear-off.

3 At Golden Rule Insurance Company, we work
4 directly to control administrative expenses by
5 adopting better processes and technology and through
6 the development of programs and innovations to make
7 health care costs more affordable.

8 We've led the marketplace by introducing key
9 innovations that make health care cost services more
10 accessible and affordable for customers, improve the
11 quality and coordination of health care services, and
12 help individuals and physicians make informed health
13 care decisions.

14 Additionally, Golden Rule Insurance Company
15 indirectly controlled medical cost payments by using
16 appropriate payment structures with providers at
17 facilities. Our goal is to control costs, maximize
18 efficiency, and work closely with physicians and
19 providers to obtain the best value in coverage.

20 At United Healthcare, Golden Rule Company,
21 we're very proud of our mission to help individuals
22 live healthier lives. We continue to look for ways
23 to restrain health increases and cost increases and
24 to be able to provide affordable care in the State of
25 Iowa.

1 We're hopeful that the Department of
2 Insurance will approve our rate increase as it's
3 based on sound actuarial principles and methods and
4 are direct representation of expected medical costs
5 for this book of business, and to allow us the
6 ability to continue to provide health care in the
7 State of Iowa.

8 That would end my comments. Thank you.

9 COMMISSIONER GERHART: All right. Thank
10 you, Scott.

11 Now I'm going to offer some closing remarks.
12 As the Consumer Advocate stated, you can still file
13 comments, if anyone's interested, up until we make
14 our decision. We are hopeful to make our decision
15 before even the end of the year, that's kind of our
16 target time line. Once we do that, that will be
17 published and it will go into effect in April,
18 assuming whatever rate increase we approve.

19 So with that, I think I'm going to go ahead
20 and close this public hearing for the Golden Rule
21 Insurance's proposed rate increase for 2015.

22 Thank you.

23 MR. WILLIAMS: Thank you.

24 (Proceedings concluded at 10:12 a.m.)

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

C E R T I F I C A T E

I, the undersigned, a Certified Shorthand Reporter of the State of Iowa, do hereby certify that I acted as the official court reporter at the hearing in the above-entitled matter at the time and place indicated;

That I took in shorthand all of the proceedings had at the said time and place and that said shorthand notes were reduced to typewriting under my direction and supervision, and that the foregoing typewritten pages are a full and complete transcript of the shorthand notes so taken.

Dated at Des Moines, Iowa, this 10th day of December, 2014.

/s/ Theresa Kenkel
CERTIFIED SHORTHAND REPORTER