



7-23-2016

Wellmark, Inc. Statement

Thank you for attending today.

The health insurance market for individuals and families remains one of the most challenging and complex across the health care industry. By far the biggest challenge is the continued rise in medical costs that has resulted in our request for double-digit increases in premiums for some of our members who purchase their own insurance. We understand this is completely unsustainable for Iowans.

The increase we are asking for is truly intended to cover the increased cost of care for the upcoming year. In fact, the Affordable Care Act prevents us from increasing rates to make up for past losses or generate excess profits. And if our estimates are wrong, we must provide a rebate to our customers. Unfortunately we have lost \$99 million in this market over the past 2 years. These losses are significant and the reason why many insurance companies have chosen to leave this market altogether.

We recognize that health insurers and providers of care need to work together to find a better solution for you. That's why in 2017, we will offer new simplified plan designs that will make health insurance easier to understand. And, there will be options for many consumers to choose lower cost plans that take advantage of our joint ventures with two of the largest health care systems in Iowa.

When rate hearings began in Iowa six years ago, they were designed to give consumers an additional way to provide comments to the Iowa Insurance Division when rate increases exceeded a certain threshold. I have personally attended the hearings through the years and although the hearings provide consumers with access to the Insurance Division, they do not provide you with a meaningful way to engage one on one with Wellmark or ensure your questions are answered.

We would like to extend a sincere offer to talk personally with any Wellmark member here today who wants to discuss their plan, situation or concerns. If you have included your contact information on the sign-in sheets and/or submitted comments and contact information on the Iowa Insurance Division website, you will receive a letter personally inviting you to talk with myself, or our CEO John Forsyth.

Sincerely,

Laura Jackson
Executive Vice President
Wellmark Blue Cross and Blue Shield