BEFORE THE IOWA INSURANCE COMMISSIONER

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GOLDEN RULE INSURANCE. :
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Mercy College of Medicine
Sullivan Center
Room 210
Des Moines, Iowa
Saturday August 26, 2017

The above-entitled matter came on for public hearing at 10:00 a.m.

BEFORE: DOUG OMMEN, Commissioner

For the OCA: ANGEL ROBINSON, ESQ.
Office of Consumer Advocate
601 Two Ruan Center
Fourth Floor
Des Moines, Iowa 50309

ANN T. MOYNA - CERTIFIED SHORTHAND REPORTER

I N D E X

P R O C E E D I N G S

COMMISSIONER OMMEN: All right. Good morning. I am Commissioner Doug Ommen, and I'm here to hear your comments today regarding the rate filings that have been put before our office at the Iowa Insurance Division. This was clearly made public to you because you're here.

The purpose of this as a public hearing is to gather input and information from individuals that are going to be impacted by the rates that have been submitted. And as part of that testimony I would encourage you, as you're forming your comments, and I know all of you are here because you're interested and you want to hear, but also because you probably likely have something that you would like to say.

In reviewing the rates, certainly the reasonableness of those rates have a lot to do with how those impact you. Primarily I'd like to hear from individuals that are being impacted. In other words, what it is that--whether you're in the market currently and are looking at the rates as they are filed by Golden Rule, or by Medica, or by Wellmark, that those individuals that are being impacted by those changes are the ones that I'd like to give priority to.

Again, I'll hear comments from everybody in the room, but, again, it's really along the lines of what that means in terms of affordability for the individuals that are impacted by those rates.

What we'll do is we'll be going in alphabetical order. We'll start with Golden Rule, then move to Medica, and then move to the Wellmark filing. I think when you came in, if you're here in Des Moines, you had the opportunity to get some information. It's an actuarial summary for each of those rates.

Under the law, what I do as the final decision maker on these rates, I have staff, actuarial individuals, that do the reviews of those rates. They assess them in terms of what it is in terms of what premium is needed to be collected in order to cover the claims that are experienced in that particular segment of the market. This is a segmented market.

We have competition in each of those segments generally. Although if you're aware of what's happening in the ACA market, we're--we do have one carrier.

Anyway, what we'll do is we'll go in alphabetical order. We'll start here in Des Moines.

Every region, every location, will have the opportunity to present comments. And so I look forward to moving through those other locations as well.

The other things that, I guess, to remind you of, is that this is a transcribed hearing process, which means we have a court reporter up here to my right, to your left, and she's taking down what is said here today.

Under our review process, I review the rates, but then for those products that are being sold under the Affordable Care Act, they go to the federal government. And this hearing process is part of that as well.

If you're speaking and giving comments, it's really important that you identify yourself. We'll make sure that that occurs in every case. And then also that only one person speaks at a time. So when I get into the comment section with individuals coming forward, we'll call you to the microphone.

The individual within our office who is responsible for consumer advocacy is seated up here at the table already. Her name is Angel Robinson. She'll be providing some comments regarding individuals that have been impacted, or expected to

be impacted, by these rates and have gone online, or they have called her office and provided their views to her. She'll be covering that.

When I do get to that public comment period, I'll call you forward and you can be seated next to her so that the information is--can be taken down by the reporter here to my right, as well as so people at other locations can hear that.

I guess the last-- Just a couple of technical things. Angel will be there with you. We want to make sure the microphones are working.

I don't know, Angel, if there's anything else to add at this time. I tried to go through and cover those things that appeared to me. Is there anything else that you would like to add just in terms of structure and procedure?

MS. ROBINSON: No. The only thing I would add to comments is that whenever you are taking your opportunity to comment on the record, the ICN requires, and the way that it's set up, is that you must depress the mic at all times when you're speaking. It's not a press once, but you must hold it down the entire time.

That's a little bit different sometimes, but that will insure that your comments are heard not

only in the room that you're in, but it's also for over the video conferencing.

I don't have any other additional logistical points at this time.

COMMISSIONER OMMEN: All right. Thank you, Ms. Robinson.

All right. I will first call the proposed Golden Rule rate increase. And with that, call upon you, Ms. Robinson, for some of your comments.

MS. ROBINSON: Thank you, Commissioner.

For the record, my name is Angel Robinson, and I'm the Consumer Advocate for insurance.

As this is the very first of our three hearings I wanted to give a little bit more detailed background than I probably will moving forward just so you have a good basis as to why we are participating in this process today.

Iowa Code Section 505.19 sets forth procedures for health insurance rate requests exceeding the average annual health spending growth rate published by the Centers of Medicare and Medicaid Services.

The procedures include a requirement that the Consumer Advocate must elicit public comments on the proposed rate increase, provide for those

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 the decision is made on the proposed rate increase.

The Consumer Advocate was notified on June 13th, 2017, that Golden Rule Insurance, a United Healthcare company, was seeking an average rate increase of 27 percent on approximately 4,485 covered lives. The proposed increase applies for all enforced plans labeled Generation 1 through 27.

As the proposed rate increase amount exceeds the most current average annual health spending growth rate of 6.5 percent, the Consumer Advocate solicited and gathered comments and testimonials from the public regarding the proposed rate increase.

As a regular part of the rate review process the proposed rate increase is actuarially reviewed twice; once by the Iowa Insurance Division's actuarial staff, and once again by an independent third-party reviewer. The results of these two reviews have been included in a summary document. The actuarial summary document is available as a handout during this public hearing and has also been posted at the rate hearing website,

insuranceca.wordpress.com.

The actuaries found the following information; Golden Rule Insurance has been operating for the last two years with a medical loss ratio of 82.6 percent. A federal percentage that calculates what percentage of every premium dollar goes toward claims and allowable costs, is what the medical loss ratio is. You are going to see and hear that term a lot and I wanted to make sure that there was some background to define that.

The federal government requires that all individual health insurers have a medical loss ratio of no less than 80 percent, or think of it as 80 cents to a dollar, on premium, or requires that the medical loss ratio of no less than 80 percent be applied or premium refunds must be paid to affected policyholders.

Without an increase in rates Golden Rule was projected to have a loss ratio of close to a hundred percent. However, the actuarial reviews found that a 27 percent increase could not be proved as it would cause Golden Rule to fall below the required 80 percent medical loss threshold.

The actuarial reviews found that a 22 percent increase would allow the medical loss ratio

to be just over 81 percent. This would leave the average premiums at $272 per-month.

The Consumer Advocate also reviewed the actuarial memorandums from Golden Rule. The only additional information worthy of note is that the policies that were subject to the increase are now a closed set of policies in business and they have not been sold since 2013.

For public comments six comments were received on this proposed rate increase. With such a small sample of comments, no real consumer comment trend can be identified. However, a couple of points of interest were brought up more than once. Those who chose to comment shared their experience over the lack of affordable options in health insurance.

Comments also included individuals sharing their displeasure of having their rates increase once again. As these plans were sold as early as 1990 policyholders with longevity in their plan have probably experienced a number of rate increases over the years.

An excellent example comment summarizes these points. A policyholder explained that they were self-employed so options for individual coverage for the policyholder and their family were limited.

The policyholder continued on to explain that rates have increased to over a thousand dollars per month and expressed concerns over the current health insurance market. Though the public comments were few, these individuals are representative of many in similar situations who did not choose to comment.

In conclusion, the comments shared expressed displeasure at the increase in rates due to cost. The actuarial reviews show that the proposed rate request came at a too high cost and needs to be reduced to at least 22 percent in order to meet federal medical loss ratio standards.

Though at 22 percent Golden Rule will be just over 81 percent as Golden Rule is close to the federal minimum for medical loss ratio, the Consumer Advocate would encourage the Commissioner to review and consider the affects of reducing the rate increase even further.

Under Iowa Code Section 505.19(3), 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 still be recorded on the public rate hearing site.

That concludes my comments at this time.

COMMISSIONER OMMEN: Thank you, Ms. Robinson.

As I've looked at this, the block--this is one of those grandfathered closed blocks, for those in attendance; is that accurate?

MS. ROBINSON: Yes, sir.

COMMISSIONER OMMEN: And I looked at, just, again, for those that are preparing to comment, currently in this block 2,017 policies are still in place and there are approximately 4,485 currently that we think are impacted by this. That's what I'm seeing here on the review summary.

MS. ROBINSON: Yes, sir.

COMMISSIONER OMMEN: All right. All right. Let's proceed with comments.

Again, I would encourage those of you that came to this public hearing that you come forward one at a time as I call. And so I'll go through this-- What I'll do is I'll call those that have indicated that they wish to comment based on Golden Rule.

All right. It appears that there is an individual here that's indicated that they are currently impacted by Golden Rule.

Mr. Drevlow, would you wish to comment?

MR. DEAN DREVLOW: Yes, I'll comment.

COMMISSIONER OMMEN: All right. Please come forward. Thank you.

Mr. Drevlow, you just need to sit near the mic. And if you could identify yourself, and, for the benefit of the reporter, please spell your last name.

MR. DEAN DREVLOW: Sure. My name is Dean Drevlow. My last name is spelled D-R-E-V-L-O-W. I'm a long time Golden Rule subscriber.

COMMISSIONER OMMEN: And I see your hand is on the button. I just want to make sure, does it need to be held down?

All right. Thank you. Please continue.

MR. DEAN DREVLOW: I appreciate that you posted this hearing, public comment. We do find it interesting that their average premium is $222 since ours is well over $600, so a 22 or 27 percent rate increase will have a much more significant impact than just $50 per-month.

COMMISSIONER OMMEN: Thank you.

All right. I don't have in front of me anyone else with--that is impacted or indicated impact by Golden Rule. But before I call forward Golden Rule's representative, is there anyone else in

the audience that did not check that they would like to make a comment, but are impacted by Golden Rule's rate filing and would like to offer a comment?

All right. Let's move then to the other remote locations. We'll move to Atlantic.

Chris Henkel is here with me. Did you offer some help as to whether or not there is anyone there that wishes to speak?

MR HENKEL: Is there anyone in Atlantic that wants to comment?

COMMISSIONER OMMEN: On Golden Rule.

AN UNIDENTIFIED FEMALE: This is Atlantic, and no, nobody would speak--wishes to speak regarding Golden Rule.

MR. HENKEL: Thank you.

COMMISSIONER OMMEN: Thank you.

Cedar Rapids.

MS. ROBINSON: Is there anyone in Cedar Rapids that wishes to speak and comment on Golden Rule?

AN UNIDENTIFIED FEMALE: Yes.

MS. ROBINSON: Please proceed.

MS. JUDY SCHREUR: Yes, there is. My name is Judy Schreur, S-C-H-R-E-U-R.

We have been a long time Golden Rule

subscriber also. And I agree with the person in Des Moines, we pay much more than what they say the average premium is. And our impact would be greatly more than $50-a-month.

It's interesting they've already decreased it from the 27 percent that they asked for to 22 percent, which shows this rate hike is way too high. Even the congressional budget office has said that any increase, rate increase that's above 20 percent makes it so that medical insurance is unaffordable.

Even if you do it to 22 percent, with how much we have to pay per month, or per quarter, will make it so that we will still have to pay over half of our take home income to pay just for the premiums for healthcare. That doesn't include any benefits yet because we have to pay such a high deductible. This seems like an exorbitant rate to have to pay.

COMMISSIONER OMMEN: Thank you for those comments.

Is there anyone else in Cedar Rapids that wishes to comment on the filing by Golden Rule?

AN UNIDENTIFIED MALE: No one else here.

COMMISSIONER OMMEN: All right. Thank you.

I'll turn now-- Is there anyone in Columbus Junction who wishes to comment with regard to Golden

Rule?

Apparently we don't have video there, but we do have audio. If you don't wish to comment, if you could advise me of that, I would appreciate it.

Eldora, is there anyone in Eldora--excuse me--who wishes to comment with regard to Golden Rule?

All right. Hearing no response, we'll move to Spencer.

Is there anyone in Spencer who wishes to comment with regard to Golden Rule's rate request?

AN UNIDENTIFIED FEMALE: No, there is not in Spencer.

COMMISSIONER OMMEN: Thank you.

In West Union, is there anyone who wishes to comment in West Union?

AN UNIDENTIFIED MALE: No, there is not.

COMMISSIONER OMMEN: Thank you again.

All right. All right. With that, that will conclude the public comments concerning the Golden Rule Insurance Company rate filing.

At this time I will call for any representative from Golden Rule, if they wish to make comments, you may do so at this time.

Carol, if you would come forward, and, again, please spell your last name for the record.

MS. CAROL TROCINSKI: My name is Carol Trocinski, T-R-O-C-I-N-S-K-I.

Good morning. I'm Carol Trocinski, director of regulatory affairs from United Healthcare in the State of Iowa. Thanks for the opportunity to be here listening to comments and representing Golden Rule, a United Healthcare Company.

As you are aware United Healthcare's Golden Rule Insurance Company filed a request for a rate adjustment of 27 percent for the effective date of January 1st, 2018. This rate increase is projected to affect approximately 4,400 lives in the State of Iowa.

The increase we are requesting is because medical costs for this population are expected to increase, and we anticipate continued losses in this area of the healthcare industry. There are obviously many factors that impact healthcare cost trends and continue to contribute to the cost increases that have been experienced for this plan, as well as many similar plans across the country.

Both healthcare cost trends that have affected this year's rate increase include increases in costs of medical services, increased utilization, as well as higher costs from the deductible

leveraging.

At Golden Rule Insurance Company we work directly to control administrative expenses by adopting better processes and technology and developing programs and innovations to make healthcare costs more affordable.

At United Healthcare Golden Rule Insurance Company we are proud to deliver on our mission to help individuals live healthier lives and make healthcare work better. We continue to look for ways to restrain health increases and cost increases and be able to provide affordable care in the State of Iowa.

We are hopeful that the Iowa Division of Insurance will approve our rate increase as it's based on sound principals and methods and a direct representation of expected medical costs for this book of business. Doing so will help insure the 4,400 Iowans impacted by this request continue to have the highest quality of care.

That would end my comments. Thank you.

COMMISSIONER OMMEN: Ma'am, I just have one question for you. It really relates to the comments that were received.

Both my consulting actuarial and our senior

actuarial within the Division agree that the average increase is $50-a-month. But you heard several comments from individuals who suggest it's much higher. How do you account for that?

MS. CAROL TROCINSKI: I will have to go back and have that reviewed further. I'm thinking is it per individual or per family.

COMMISSIONER OMMEN: I am certain it's in the actuarial report, but I'll go back and consider that and I will be in touch with you and see if I can get an answer to those concerns.

MS. CAROL TROCINSKI: Sounds good. Thank you.

COMMISSIONER OMMEN: Thank you very much.

All right. That, I believe, concludes the reception of information regarding the Golden Rule rate increase request.

Anything further from you, Angel--

Ms. Robinson?

MS. ROBINSON: No, Commissioner. Thank you.

COMMISSIONER OMMEN: Thank you.

Thanks, Carol.

All right. I will now call the matter regarding Medica Insurance Company and its rate increase request. This is, again, information that

has been compiled. I have had the opportunity to look through the actuarial reports, as well as the actuarial summary that's been provided to those in attendance here, and it is also available on our Division website.

With that, I will call, again, for a presentation by our Consumer Advocate Angel Robinson.

Ms. Robinson, you may proceed.

MS. ROBINSON: Thank you, Commissioner.

The Consumer Advocate was notified on June 19, 2017, that Medica Insurance Company was seeking a proposed average rate increase of over 6.5 percent. Medica Insurance Company has requested an initial average rate increase of 43.4 percent for its 14,002 plans.

Medica Insurance filed an August 4th, 2017, addendum further increasing rates on their silver level plans by 12.1 percent to reflect the discontinuance of cost sharing reduction which helps subsidize the funding of some health insurance costs. The new average premium proposed will be 56.7 percent.

The proposed rate increase is scheduled to become effective January 1st, 2018, if approved. As amount proposed exceeds the most current average

annual health spending growth rate, the Consumer Advocate solicited comments regarding the proposed increase.

In a review of the actuary memorandums the Iowa Insurance Division provided an actuarial review of Medica's rate filing, as well as having an outside independent actuarial consultant review the rates. The combined analysis highlighted the following observations;

Medica has asked for the highest individual health insurance rate increase in Iowa's history.

Medica, as the only insurance company to propose offering coverage to individual Iowans, potentially will be responsible for 72,306 individuals. This is a large increase from their current membership of 14,002 plans.

Medica is operating at a loss of 15 percent. This means that for every premium dollar received the company is paying out $1.15. The medical underwriting loss was at $2 million for the 2016 calendar year. Actuaries expressed concerns that Medica would be absorbing tens of millions of dollars in medical losses for the next plan year as it would be absorbing all individual health insurance market losses except for grandfathered plans and

transitional business.

The actuaries find that the rate increase is justified at the amount requested and has found that it will meet the 80 percent medical loss ratio requirements placed by federal law.

The projected average premiums will be $1,021, which is over three times as high as the average premium in 2014. This is due to a change in federal law and requirements for coverage. Those changes include the loss of a mechanism to offset high-cost individuals called reinsurance and risk adjustment, and a market where no other insurance companies are willing to offer individual health coverage. However, premiums are projected to run higher than $1,600 for individuals over 60 years old, or over 400 percent of the federal poverty level.

The population of individuals that will most--that will be most affected by the increase in 2018 individual market premiums will be those individuals who are 400 percent of the poverty level and receive no assistance for paying those premiums.

Separately from the actuarial team, the Consumer Advocate reviewed Medica's findings. While no major differences were found or observed from what the actuaries reported, there are some additional

thoughts, questions and observations on some of the confidential filings that will be submitted to the Commissioner directly for his consideration.

As for public comments, as of August 25th, 2017, Medica has received 63 consumer comments on the proposed rate increase. The comments demonstrated trends that were consistent amongst the many concerns.

No one favored the rate increase as the amount proposed. While some of the comments stated an appreciation for some form of a rate increase, none of the comments supported the rate increase and the proposed amount over 43 percent and now 56 percent.

The main concerns about the high increase is that it would cause premiums to increase above what is considered affordable. Affordability was the most commented topic regarding the proposed rate increase.

One person shared comments that documented that the current high rates with amounts being as high as over $13,068 per year in premiums with a nearly $6,000 deductible. With a rate increase the individual calculated that their rate would be nearly $30,000 per year with premiums and deductibles combined.

There are additional compelling accounts. One policyholder in the most expensive age bracket, between the ages of 60 through 64, shared that they were paying almost a thousand dollars per month. They shared that they were glad that Medica decided to stay in Iowa and avoided leaving Iowa with no insurers for individual coverage.

However, the policyholder stated that the current rates of almost a thousand dollars per month right now were for a not top-of-the-line policy. The proposed rate increase would price this individual policyholder out of the market. As the policyholder did not receive any government assistance paying for premiums, and begged that something be done to help individual policyholders, especially between the ages of 55 to 64, because rates were unaffordable.

The comments also include a family that has a bare bones medical family plan with no subsidies or help from the government. For this family monthly premiums felt like an extra mortgage payment every month currently and couldn't imagine what it would be like with the price increasing as much as proposed. It would mean that one of the parents would have to quit their current job as a small business owner and find a job that offers insurance.

Another policyholder wrote that they would no longer have healthcare premiums if the increase in 2018 went through. The policyholder could not afford the increase unless the increase was covered by tax credits. The policyholder shared that her chronic health condition that is currently well managed would no longer be taken care of if she had to discontinue coverage.

As one astute commenter emphasized, the ongoing problem with the current system, they pointed out that the rising cost in premiums in health insurance causing healthier individuals to cancel their coverage and go without plans. This loss of healthier individuals causes a single risk pool to become sicker containing a higher propensity of individuals who need treatment or ongoing care is smaller, which reduces the number of individuals to spread and share risks of the healthcare costs.

With Iowa's health insurance market collapsing into one carrier offering coverage to all private individuals, that carrier will be left to insure all that need coverage and cannot afford to go without it. This leaves individuals who want coverage, but, perhaps, are healthy enough to risk going without coverage, to make difficult decisions

of how to pay for their care and what sacrifices will be made.

Oftentimes these individuals will decide to cancel or go without coverage which intensifies the problems and leaves people uninsured. While the rate increases hit all policyholders, the portion of the individual insurance market that receives no tax credits will be detrimentally impacted.

Based upon the actuarial reports, this group, depending on their age, could be seeing rate increases well over a thousand dollars per month that will be paid 100 percent out of pocket.

Medica has requested a historically high rate increase amount. Most Iowans who are left with only the choice of taking insurance from Medica or going uninsured will face difficult decisions. Some will choose to go without other needs and make sacrifices to try and keep coverage as long as possible, while some people will simply be uninsured leaving their health completely vulnerable.

This is further substantiated by actuarial reports that show average premium costs as high as over a thousand dollars per month. However, the actuarial analysis shows that Medica has demonstrated the need for an increase. This leaves Iowa with a

tough position of high and mostly unfavorable rates for the public for an insurer who is unable to afford to offer coverage in the state.

It is key that Iowa have an individual insurance option in this state and a rate increase will be needed as the company cannot maintain a deficit in its medical loss ratio.

On behalf of those who will be paying premiums, the Consumer Advocate would request that the increase be as small as needed to allow as many people as possible to have insurance coverage options that they are able to pay for.

I would like to remind the public that the comments received and posted by today have been included in this testimony report as required by 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 at insuranceca.wordpress.com, as required by law.

That concludes my comments. Thank you.

COMMISSIONER OMMEN: Thank you,

Ms. Robinson.

All right. We'll turn to those that wish to offer public comments. I'm going to go through this list in no particular order except as it was presented to me.

I'll call first Renee Welk. If you are here, please come forward and have a seat and you'll need to hold down the button.

We also would ask that you speak as loudly as you can, being as we are not mic'd throughout the room.

Please have a seat.

MS. RENEE WELK: Do you want me to turn it so we're facing that way? I was thinking that when other people were talking.

COMMISSIONER OMMEN: Are we trying to broadcast this?

MS. ROBINSON: Best way to do it as possible is to--

MS. RENEE WELK: Talk loudly.

MS. ROBINSON: --speak loudly.

COMMISSIONER OMMEN: Actually, I can share with you my mic.

MS. RENEE WELK: That's okay.

COMMISSIONER OMMEN: No, I think this is

important to people here.

MS. RENEE WELK: Okay. My name is Renee Welk, W-E-L-K.

It's interesting because I didn't know what box to check because I have choices. I have to make a choice. I am currently with Aetna, and I really appreciate their coverage. It's been fabulous.

My family is both--we are both self-employed. My husband and I have three degrees between us. I was a high school Spanish teacher, went and got my master's. And he was a journalist. And we had a sick child as an infant and just thought, you know, the way we're going, who cares what degrees you have or what you're doing if it's not serving your family; right? We are both self-employed. We both earn more now than we did as a teacher and journalist.

So I'm gonna go through just a couple of things if you don't mind because I feel that part of the population-- It was interesting there are only six comments on Golden Rule because people don't know how to be an advocate. They don't know where to speak. I'm just having to learn this myself. Plus, they're what, 75 people in the ACA that may or may not be a part of. I don't think Golden Rule is even

on there. So they may be affected by these increases, but don't have a voice in the comments because they're not currently with those companies. That's just the first note.

The second thing is, just to kind of go into, like, my situation. You can go on the ACA and put your family in and put the ages in, and if you go to Aetna, like our current plan is the silver Mercy plan. So it's a silver plan, but limited to--I can't go do Methodist or go to Mayo Clinic.

That current plan is--online even is $689.41. If I go to Medica-- And I don't want to pick on Medica. I know there's a person here. You're doing your job. I appreciate that.

But I went on-- When I heard that they might be the only people left before they agreed to stay on-- And I do say forge ahead with trying to do the right thing. I appreciate that too. In the silver co-pay, because I'm on the silver Mercy plan, it's $1,221.

Okay. Don't get mad at my math, but that's almost double; right? That's without the price increase.

Here's the reality. I can get a second home in Minnesota, claim my residency there, pay them all

of my taxes, maybe I even move there and give them all my time that I have as a self-employed person, volunteering at the homeless shelter once every week, volunteering at school twice a week, and probably pay less for insurance in a small home if I just get, like, a two bedroom home somewhere in the middle of no where and claim it as my residence, than it will cost me to provide for my family with health insurance here in Iowa.

Is that my first choice? No. But is it a choice that makes more sense than paying the price increase? Yes. Do I appreciate insurance? Absolutely. Do I appreciate healthcare? Even more.

I have been doing a lot of research. My mom works at IME, Iowa Medicaid Enterprise. One of the things that people think is that that is state run. Well, it is governed by the State, but inside that building there are seven, I believe, different companies that all put in bids to run Iowa Medicaid.

So now they're MCOs put by former Governor Branstad. The IME ran Medicaid for 3 to 5 percent administrative costs, as far as I understand with the research that I've done. If my math is wrong, please let me know. I'd love to hear your numbers. But I've been to Ernst's office, Grassley's office,

Democratic things everywhere.

The average for an insurance company is 10 to 30 percent. So as a former teacher and being on the union, you may or may not like that, that's irrelevant, but the thing is, if we could get, like, a 1 percent increase, but the 1 percent increase in pay from the state may not even have covered the healthcare cost.

I quit that job when I had my child in 2006. In 2006 a family was $780. That's more than I'm paying right now. This is nothing to do with the ACA, it has nothing to do with the MCOs, it just has to do with the price of insurance.

Sometimes we could get a pay decrease to keep our benefits. I feel like people come and think insurance is bad. I don't really know if we understand how it all works.

I know that there are pools. That is what they said at every office that I have been to, we need a bigger pool of people together. What has happened is we have forced what happened with the ACA out of this state because we didn't put a big enough pool in.

That's why insurance companies fail. That's why you have to protect them. And if I'm right, if

you could let me know, your role is to make sure that there is an insurance solvency. That the insurance companies don't go bankrupt.

The role of your office right now is not to protect my needs. I could be here and wasting my time. I have a family reunion. Cry about, do I even come and do this when it may not even matter because we have to make sure that they don't go bankrupt.

Really? That's what this is all about? It's not. This is about families who want to be in this state that appreciate hard work and values that can get health insurance for their kids. I don't even have preexisting conditions you guys. I'm only 40 years old and my kids are 10 and 8, now 11 and 9.

I want this to work for everyone, but we have to work together and you have a huge role right now. You can make a huge difference in this state and set an example that this is people over profits. That we are looking for what's best for our whole state. We need insurance companies in Iowa. That's the primary income. But we also need to retain people who are here working self-employed.

My friend, Erika, who works 45 hours a week as a server, but didn't have insurance until this year, and that's only because the state--the way Iowa

is. She couldn't have gotten it. But that is what she does and she makes a good living. She makes $35,000-a-year and can do it around her kids schedule with her husband.

My dad works 60 hours a week, and it was cheaper for him to get the ACA coverage than it was to go through his employer. So other comments you don't have are people who pay that price through their employer just to keep insurance. They keep a job they don't like to keep insurance.

We're driven by insurance. We're driven not by healthcare and peoples needs. I'm sorry to talk a long time, but if I can get this out there for people that understand that this is more than just insurance costs going up, we have a major problem that's going to affect all those things in the hallway that I saw.

Like having a vision. What kind of a vision are people who are stuck in their job because they have to have healthcare. What could they do if they could leave that job and go make a difference and be happy for heavens sake. It's more than just the hike.

So last thing is really I do appreciate all of your time. But for me, I don't want people to move out of Iowa. I don't want elderly to move out

of Iowa because we say come work here your whole life, and then when you get old enough you don't have to work, I'm sorry, we're going to drive the costs so that you are not even going to be able to afford to live in this state.

We are in a position right now that you have a chance to do something amazing and change that. I hope that you don't take it lightly, and I hope that you talk to everyone in both parties because it's about math. Companies can run at a smaller margin if they need to.

IME is set up. They have people in there from all those companies. They could take all of us as individuals and we could just hire and train, but the people who know what they're doing are still there. There's an office. I know Governor Branstad says state employees won't lose their jobs, but they weren't state employees. A lot of people lost their jobs.

My mom can retire when this is over, but hundreds and hundreds of people lost their jobs. We have a vacant building there with people who know how to run exactly what we need for less money and we can keep people here or find another way.

I don't think that this is the main issue

with these hikes. I get that they have to run a business, so do I. And I will have to run it elsewhere if I can't run it here.

(Applause.)

COMMISSIONER OMMEN: Thank you very much for those comments. Thank you.

Let's move to the next individual, David Fairchild.

Do you wish to make a comment?

MR. FAIRCHILD: Sure.

My name is David Fairchild, F-A-I-R-C-H-I-L-D. I'm also self-employed. We also have our insurance through Aetna. They're, obviously, leaving the system.

We're really concerned. We're a moderate income. We're self-employed. We've been paying for our own health insurance for 25 years, my wife and I. We're 58 years old. We're being priced out of the system. We have been for 10 years. It's just every year is more and more money.

Right now I had one hospitalization this year and our health insurance premiums, that ate up 33 percent of our incomes. That's the gross, not the net. After paying taxes, insurance, and everything else, there's just nothing left over.

Health increases over the-- We're paying $900-a-month. Our total premium is $1,800-a-month with the tax credit under Aetna, and if we see higher premiums than that under Medica I don't think we're gonna be able to have health insurance. If that's the case we're in really big trouble.

I'm a cancer survivor. You know, I really can't go without health insurance, but I don't think we're gonna have any choice if we have to pay more than, say, a thousand dollars a month. I don't know where the money's gonna come from to do that.

I'd just ask you to do anything you can. Part of the problem, I know, with our system is, you know, people like me, I was a cancer survivor. I mentioned that. The cost of my medications a year was $110,000, $120,000-a-year. But the medications I got cured the leukemia I had. It's kind of a rare leukemia. I took the medications for four years. I've been off them for two years. It worked. It worked.

This system has to figure out a method to pay for that kind of treatment. Because there's a lot of that out there now. There's new treatments for cystic fibrosis. There's new treatments for Hepatitis C. $80,000-a-year for the Hep C. I think

the cystic fibrosis medications are somewhere in the tens of thousands of dollars. But they really increase the peoples' ability to live.

Again, in my case, I had a rare form of leukemia. I didn't have to go through chemotherapy. I worked every single day. I was in the hospital four days for the initial treatment, and I took four pills a day and it cured it.

There's going to be new medications out there. I'm thankful as heck for the opportunity to get it. But we have to figure out a system to help pay for those high cost treatments. Because if we go just to the pooling system-- I've had insurance through Wellmark, through Co-Opportunity, through Aetna, and now probably through Medica. If we just go through pool systems it's not going to work with these new high cost treatments. It just--it just is not possible.

I tell you, we need to-- If you have somebody's ear in Washington, have maybe Congressman King's ear, somebody's ear, let them know we're gonna have to have some way to share the cost at least for some of these high cost treatments. Because we're gonna end up with a two-tier system where the poor or the-- I'm not poor. I've worked every day of my

life. I'm moderate income. But I would not be able to afford the cost of that treatment under the old system. And in the future regime, I don't think I'm gonna be able to pay for that treatment.

We're gonna end up with a two-tier system where the moderate income and poor can afford one level of healthcare, and the wealthy are gonna be able to afford another level of healthcare. And that's not my America.

Anyway, just my comments. Thanks and I appreciate the opportunity to say something.

COMMISSIONER OMMEN: Thank you very much, Mr. Fairchild, for being here.

(Applause.)

COMMISSIONER OMMEN: I have two individuals Keith and Evelyn Dickinson.

MR. KEITH DICKINSON: My wife will--

MS. EVELYN DICKINSON: I can. Evelyn Dickinson. My husband and I arrived in the United States last summer. We have one grandchild and that is the reason why we came here, we wanted to be part of her life.

We're both retired. I'm a green card holder, my husband is a US citizen. Currently I'm with Aetna. That cost is roughly $540-a-month. So

we don't get any government help, of course, as I'm British. I don't get any Medicare, even though I'm 66 years old.

Our only thought at the moment is that we would have to go with Medica, and if we do, and the premium goes up to $1,600-a-month, what do we do? We're on a fixed income. It's absolutely ridiculous.

We feel we would have to sell up. We've only been here a year. We'd have to sell our home and go back to England and wait for our son and daughter-in-law and granddaughter to come and visit us. The reason we came here was to be part of her life.

So please do something. You cannot go on like this. These poor people here. I feel dreadfully, dreadfully sorry for the people here who are paying even higher premiums than we are at the moment.

Please try and do something. It has to go to Washington. Donald Trump has to, perhaps, put some of his billions into this. Well, I'm being ironic I know, but he has the wherewithal surely to do something.

Thank you very much for listening to me.

COMMISSIONER OMMEN: Thank you.

(Applause.)

COMMISSIONER OMMEN: Cathleen Simpson.

MS. CATHLEEN SIMPSON: My name is Cathleen Simpson. S-I-M-P-S-O-N is the last name.

I commented on the website and I want to share today, because I appreciate your summary, what you put together.

I'm also 63 years old. I was lucky enough to plan properly and save properly for a retirement to go a little bit earlier after my husband passed away. I have two more years until Medicare comes into effect.

My United Healthcare went from $540-a-month two years ago to this year, actually, turned into $900 with Medica because that was the only affordable option that covered my doctor.

Included with that is a $6,500 deductible. So we keep talking about premiums right now. A 50 percent increase on the plan I have with Medica would jump to $1,200-a-month and I have no idea what the deductible will be.

I shared in my comments on the website that with that deductible and that premium, I'm pretty much talking myself out of going to the doctor because that's a huge expense. That's nearly--by the

time--it's $11,000 in premiums and another $6,500 on top of that for anything that happens through the year.

Looking forward, $1,200, what's the deductible to go with that? This is going to increase at this rate every year from here on. Because if that goes another 50 percent and I'm looking at $1,800-a-month, God knows what the deductible will be to go with that.

I'm one of the lucky ones that I am healthy. I have been covered my entire life. I have been paying insurance my entire life. I have no health issues, no preexisting conditions. I have no alternative on these plans. I have one plan really available to me that is somewhat, I will use air quotes, affordable, which it's not.

I am looking at possibly going back to work. I share with what the other gal had said regarding I'm gonna find myself in something dead end that I don't desire to do. Let's just say I don't desire to do it, but it is for the need to get the cost down.

I ask if there is any way that the insurance companies can be asked to spread this risk pool across all of their employee-based programs as well to help lower that risk number for them. I don't

know if that's an option, but I guess what are they doing also to contain the cost or to help make this more affordable in this state like spreading this risk. I would just put that bug in your ear.

That's all I have to say. Thank you for doing this.

COMMISSIONER OMMEN: Thank you, Ms. Simpson.

(Applause.)

COMMISSIONER OMMEN: Nancy Barnett.

MS. NANCY BARNETT: My name is Nancy Barnett, B-A-R-N-E-T-T.

I started purchasing individual health insurance in 2004. Rate increases are nothing new. The rate-- I was with Wellmark and the rate increased 10 to 15 percent every year so that the end--by the time the ACA came along I was paying a premium that was 300 percent of what I started out paying. So rate increases are nothing new. This is extraordinary due to a lot of different factors.

I am 61 years old. I have-- I'm a small business owner, very small. I work directly with clients who get services that are not covered by insurance. A lot of my clients are in this same age bracket that I am, so they're facing the same situation with their health insurance.

So, you know, I'm really thinking what's next year going to be like for me knowing that--that my health insurance premium, plus deductible, plus co-pays next year is likely to be 30 to 40 percent of my income. And that's drastically going to change my lifestyle. It's drastically going to change the lifestyle for a lot of my clients who are already talking about whether they will be able to afford my services next year. It's going to have a huge impact on my small business.

Knowing that, Commissioner, the 22,000 people that you've estimated who are going to decide to go without health insurance because of premium increases are also small business owners. Small business is a big chunk of the economy.

It's-- Regardless of what it does to us individually, you know, it's going to have a ripple affect. It's gonna be a big thing. I always come back to the thought that it's not--it shouldn't be about insurance, it's been access--

(Applause.)

MS. NANCY BARNETT: --to healthcare. And insurance is just one way to have access to healthcare.

Healthcare does not fit the insurance model.

For profit insurance companies are working to make profits for their investors, for their stockholders. That's what motivates their business decisions. I understand that. I get that.

But when you stop and think about it, they're making their profits on the backs of people who are sick, and on the backs of people who are, you know, one broken arm away from bankruptcy if they don't have health insurance.

It's like being held up with a-- Oh, it's just not right. It doesn't-- Healthcare does not fit the insurance mold. It's just feels amoral to me that that's the way it is. We can't change that today. And, Commissioner, I know you can't change that. I know your hands are tied. There are a lot of ifs about this hearing today.

We don't know--you don't know if Congress is going to defund the subsidies. The insurance companies don't know. That's a question I have. If Congress decides not to defund the subsidies, if they continue to keep paying the subsidies, does Medica still need a 57 percent increase?

What happens-- If their 57 percent increase gets approved and Congress still funds the subsidies, are we still stuck with that premium?

Commissioner, you've submitted a plan that's gonna--that would help people at the top and the bottom who might be shut out of subsidies to get that. I think that's a wonderful thing, but you don't know if that's gonna be approved yet. You can't really make any big decisions today.

I think the bottom line for me right now is that every one of us in this room is hamstrung by Congress. Whether it's the Commissioner doing his job, the insurance company, who I have no love for, and all of us trying to decide what next year is gonna look like.

We're all hamstrung by a Congress divided with the idea that it's--everybody thinking it's my way or the highway. Congress, who has the majority right now, who has had years to make something better, who has had every opportunity to make the Affordable Care Act better, the opportunity to make it work, and they haven't done it and it's shameful.

We're just kind of powerless in that situation. It's a terrible, terrible feeling.

Thank you.

(Applause.)

COMMISSIONER OMMEN: Thank you for those comments.

Again, some of you checked undecided, so it's hard for me to know at this time. But I'll just open it up. Is there anyone else yet in the room who may have signed up and I've overlooked? Just by a show of hands, is there anyone else that would like to come forward?

AN UNKNOWN FEMALE: We're still waiting for Blue Cross; right?

COMMISSIONER OMMEN: Anyone with regard to Medica?

MS. LAURA ANSPACH: I would end up on Medica. Should I speak to that now then?

COMMISSIONER OMMEN: Certainly. Yeah.

And, again, with Medica being the single provider in the ACA market, I think that there are a number that may be impacted even if they're currently on another plan, one of the grandfathered or transitional plans.

Please identify yourself and thank you for your comments.

MS. LAURA ANSPACH: I'm Laura Anspach. That's A-N-S-P-A-C-H.

I've got notes because otherwise I'll not cover everything I need to.

I've spent my career as a nurse and wellness

educator in public health and in school nursing. I am grateful for the ACA as I have a health condition now. I watched my brother go homeless because he had to have a hip replacement at 29 and then was uninsurable until he hit Medicare.

I can't be grandfathered in as I have had to be on seven different policies in the last four years due to different changes, layoffs, the other insurance plans going bankrupt, et cetera.

I'm currently paying $18,000 with my deductible at Blue Cross. That's my entire IPERS income basically. If I go to Medica I would start with an $18,700 cost, according to the estimates, before deductible. So I'm looking at maybe $27,000 next year.

I require a top-of-the-line policy because of a virus that took me from excellent health to requiring a pacemaker. I am well managed with the pacemaker, but I'm considered a pariah by the insurance companies. I too have considered moving out of state after being a life long Iowan, or returning to college to get student insurance, which means a 45-minute commute each way a number of days--probably up to three or four days a week, which I didn't retire to do.

Healthy persons do not realize they could have an accident or require hospitalization such as an appendectomy. We require everyone to insure cars, why don't we require everyone to insure their bodies and families?

I would point out that had insurers embraced prevention years ago their cost to cover health issues now would be significantly less. We also do not teach health and prevention significantly in our schools because health is not on the tests.

Other nations take care of all of their people. It is shameful that the US doesn't do the same. I am disgusted with legislators who take care of themselves, but block all progress just to wave their party flags. I hope that they pay attention to this issue instead of excusing a racist sheriff.

COMMISSIONER OMMEN: Thank you for your comments.

Anyone else that has not--in the room here in Des Moines that has not had the opportunity on the Medica Insurance Company rate increase request?

All right. Let's turn to the other locations. We'll begin alphabetically again in Atlantic.

Is there anyone in Atlantic that wishes to

offer a comment in regard to the Medica Insurance Company rate request?

MS. TANYA VANDEER: Yeah. I'd like to speak up.

COMMISSIONER OMMEN: Please do so. Simply identify yourself by name so the court reporter can take that down.

MS. TANYA VANDEER: Tanya and Noel Vandeer, V-A-N-D-E-E-R. And this has more to do with myself than it does with Noel.

Everything that the Consumer Advocate talked about and the Medica people that were speaking online and that she read, you can put a face to all of that. We did not write anything to the Consumer Advocate. We knew that we were going to be coming here to speak up.

Things like the insurance rate going as high as 43 1/2 percent and being over our mortgage payment applies to us. We don't get any help, as far as any tax deduction when we signed up through the--when I signed up through the marketplace. All those things I was shaking my head yes to because it applied to us.

The last thing that I want to say, though, is we are--we're going to get to a point if this

happens in Medica that I will have no insurance. I have no income. I take care of Noel 24/7 at our house--at our home. We will either not be able to afford insurance or you will break up a family unit. I don't want to look at it negatively, but that's our options. I hope that there's people out there that will be able to help us, all of us, not just me. Thank you.

COMMISSIONER OMMEN: Thank you.

Any additional consumers, individuals in Atlantic that wish to comment?

All right. Thank you for those comments.

Let's move to Cedar Rapids. Are there any individuals in Cedar Rapids that wish to offer a comment with regard to the Medica rate request?

MS. MARY NEIERS: This is Mary Neiers, N-E-I-E-R-S. I'd like to put some perspective on the amount of your rate increase.

Your rate increase is at over a thousand dollars a month. My husband pays me $350-a-month income, he also pays my insurance. Working on the farm is not exactly the cushy job a lot of people think it is.

To just pay one month we would probably have to sell a fat critter or a fat steer per month. We

only get $1.06-a-pound. We have about 70 head of stock cows. The calves that they have are what we raise for two years; feeding them, cleaning up after them, making sure the vet comes to see them when we need them. It's not just, you know, hey, we got to pay this bill, let's sell a cow. We can't do that. It's just not possible.

COMMISSIONER OMMEN: Thank you.

Any other comments from individuals in Cedar Rapids?

MR. DAVID FAGEOL: Good morning. My name is David Fageol, F-A-G-E-O-L. I am retired living on a fixed income. If the rate goes up as high as the full amount, I'm not sure that I'll be able to afford insurance next year.

COMMISSIONER OMMEN: Thank you, sir.

Other individuals in Cedar Rapids that wish to comment?

AN UNIDENTIFIED MALE: No, sir.

COMMISSIONER OMMEN: All right. Let's move to Columbus Junction.

Are there individuals in Columbus Junction that wish to comment regarding the Medica Insurance Company rate request?

All right. Hearing none, we'll move to

Eldora. Doesn't appear anyone is still there.

Spencer, does anyone in Spencer wish to provide public comments with regard to the Medica rate increase?

All right. Thank you.

AN UNIDENTIFIED FEMALE: We have no comment.

COMMISSIONER OMMEN: Thank you.

We'll finish with West Union.

MR. KEVIN LOCKARD: Yes, I have a comment.

My name is Kevin L-O-C-K-A-R-D.

COMMISSIONER OMMEN: Please proceed.

MR. KEVIN LOCKARD: I currently subscribe with Medica and my wife and one of my daughters. The premium, if you're over the 400 percent, if you don't qualify for ACA, for this year would have been $24,050 for the three of us. With the increase, the premium increase would be approximately $14,000 per year, for a 2018 premium of almost $38,000.

Now, based on what they said about the pools being too small, obviously people aren't going to be able to pay those premiums, including me, and the pool will become smaller instantaneously, which will lead to an even higher rate increase in 2018. It's not sustainable with people dropping out of the pool.

I'm assuming that the only people that would

stay in the pool would be the people that have more healthcare costs because they're in dire sickness and will have to stay on the plan or face bankruptcy or no way of paying for medical bills.

It's kind of an either/or, you pay $40,000 worth of insurance or do you pay $300,000 to a hospital type of deal. It's unsustainable.

I appreciated the Iowa plan that was in place before the ACA and felt that that was a good way of cost sharing between the companies. I know there's been some talk about doing something like that again, and I would encourage you and other people to look into reinstating that as a way of sharing costs.

And so basically this is unsustainable unless--if you can meet the ACA guidelines you may be able to keep insurance for another year with the credit. If you can't meet those guideline, there's no way you can afford it. Because that doesn't even include out-of-pocket or deductible. I'm guessing it would be close to $2,000-a-month for premiums, and then co-pays and deductibles you're looking at over $40,000 per-year. It's just unsustainable.

I would-- You know, like the lady said earlier from one of the other locations, that

Congress has to do something to fix this. And I also agree that maybe there needs to be a larger pool sharing. Maybe segregating us into a pool like this is not sustainable under any type of insurance program.

Thanks for letting me make this comment.

COMMISSIONER OMMEN: Thank you.

All right. At this time, I think that concludes the public comments.

I would like to offer the opportunity for representatives of Medica Insurance Company to come forward to offer some comments.

Mr. Bartsh, I'm going to offer you my microphone as well.

MR. JEFF BARTSH: Can people in the room hear me?

Thank you Commissioner. Ms. Robinson.

For the record my name is Jeff Bartsh. My last name is spelled B-A-R-T-S-H. I'm the vice-president and general manager for Medica Individual and Family Insurance.

Medica is still a relatively new company to this state. So for those of you who don't know much about us, we're a nonprofit health insurance company based out of Minneapolis. We currently sell

individual policies in six midwestern states.

We entered the Iowa market in 2015. We were very happy to do so. We had at that time expanded into Iowa and Nebraska. And we did so with the intention of being here for the long term. For being a part of this community and being a part of this market.

In early April of this year we found ourselves as the only insurance company that had not abandoned the ACA market. That was a surprise to us. That was not expected, certainly not when we entered the market in 2015. It put us in an interesting position as the only carrier of giving an option to consumers or for consumers not having any option at all.

And we chose to stay. The rate increase that we proposed is a reflection of that decision and really an estimate of the Medica expenses that exist in the ACA marketplace. And the increase was developed given the information we had and the market wide claims experience, our assumptions on medical trends, assumptions on market morbidity, the changes in the size and the sickness of the health pool. Our risk as the lone carrier with relatively little experience in this market. And also, as discussed

earlier, the recognition that to date the Iowa marketplace has consistently failed to set premiums at a level that would cover medical expenses. That is the justification for the 43 1/2 percent rate increase.

As has been commented, we amended that rate for silver level plans, given the uncertainty around funding of cost sharing reduction payments by federal government heading into next year.

I'd like to say that we're very proud of the decision that we made to stay in the marketplace and provide an option for Iowa consumers, but it's not lost on us, and I think it's certainly clear with both written and public comments, that the situation that this market finds itself in with one carrier and a 43 1/2 or 56 proposed rate increase is not the marketplace we want for Iowans.

So our commitment to continue to be in this market will remain, and it's a commitment that means we will be working with the Division, with consumers, and with others not just on a rate increase for 2018, but what we can all do to provide a more stable and affordable marketplace for consumers in the future.

Thank you for the opportunity to be heard.

COMMISSIONER OMMEN: Thank you, Mr. Bartsh.

Ms. Robinson, do you have any questions for Mr. Bartsh?

MS. ROBINSON: Just for clarification purposes, I know that in Nebraska Medica is licensed as a nonprofit. Is that also the case here in Iowa?

MR. BARTSH: Yes.

MS. ROBINSON: Thank you.

No additional questions.

MR. BARTSH: Can I clarify?

MS. ROBINSON: Yes, please.

MR. BARTSH: Clarification. So the Medica holding company, a parent organization, is a not for profit. The entity that underwrites our individual health insurance in Nebraska, Iowa, Minnesota, and Kansas and North Dakota, that entity is a for profit, but our parent organization is not for profit.

COMMISSIONER OMMEN: Can you explain in laypersons terms what exactly that means in terms of this?

MR. BARTSH: Yeah. I'll try to explain it in English. We're a not for profit organization. The reason we use the for profit licensure is, essentially, the rules around the insurance company gives us more flexibility, and did particularly pre-ACA, to offer more flexible products in the

marketplace.

But it's a parent organization. So our not for profit work for consumers has a board of directors.

COMMISSIONER OMMEN: And, Mr. Bartsh, I don't really want to put you on the spot, but I am going to ask you a little bit about the actuarial summary. I don't know if you had a chance to review what was posted online.

MR. BARTSH: I did, Commissioner.

COMMISSIONER OMMEN: One of the concerns I think that I have had with regard to this rate is the need to consider the overall, I guess I would describe it, the overall position of the Iowa market. And there is some concern over some of the losses that are experienced in the historical plans that we have, the grandfathered, grandmothered plans.

Is that a consideration that you have to take into consideration as you're setting the ACA market, and why is that?

MR. BARTSH: Commissioner, I think you're stating a very good question, one that we did consider. Is while the markets right now are separate we actually saw in 2017 more people enter the ACA market and some people leave the pre-ACA

market.

And an assumption I have is they found out with tax credits some of them could get a cheaper policy. That's just an assumption.

We do have to consider what happens to the pre-ACA market, not just some of them entering into 2018, but really, as you know, that marketplace and those grandfathering rules end in 2019.

So to answer your question a different way, as the only carrier in the state we really do have to look at the potential risk, not just of some of the membership we know we have, but are expected to get, but what the unknown risks in the marketplace are because we have to be willing and able to absorb those.

COMMISSIONER OMMEN: Again, I think I understand this. As the market continues to change you have to be prepared to cover some of the losses and bad experience that's also occurring in the other parts of the market; is that fair?

MR. BARTSH: Correct.

COMMISSIONER OMMEN: Okay. Thank you.

MS. ROBINSON: Commissioner, can I ask one more question?

COMMISSIONER OMMEN: Certainly, please.

MS. ROBINSON: For those who are not aware, Medica is the only insurance company today that is, under the rate hearing process, that is on the healthcare.gov insurance exchange.

So reviewing your actuarial memorandums there's some information under federal law that they keep confidential until after the rates are filed.

But is there any information that you can share today with the public in regards to efforts that Medica has made to reduce or mitigate the costs that they are potentially looking at for premiums next year?

MR. BARTSH: So I can talk about some of the efforts that we're undertaking to reduce medical expenses. But the premium that we filed is the premium that we needed to file based off of our expectations of medical expenses at the time of filing.

That said, as a new carrier in the market we're actively working to help reduce overall medical expenses through conversations with providers in particular through work we're doing. A few people here today commented on high costs of some particularly very effective, but also very expensive medications. So we're working with the pharmacy

benefit manager in reducing those costs.

Some of the product designs we hope to have in the marketplace, particularly in partnership with some of our providers, we're jointly working to manage those medical costs together, not in opposition to each other.

We hope those actually have a true benefit in reducing medical expenses as we move forward. At this time there isn't anything that would be certain that could factor into what we've already filed in our premiums.

COMMISSIONER OMMEN: Okay. I have one last question, which you didn't specifically recognize, but clearly is recognized in your actuarial reports. That is this concern over what happens to people, as you heard from the comments today, as they move outside of those subsidized circumstances where the tax credits absorb all of that shock. And you heard from consumers today.

Have you considered that and what that means for your market, for this market, assuming that you are the only participant under the ACA?

MR. JEFF BARTSH: To answer your question, Commissioner, yes. As you stated, the current tax credit structure does shield--for most people who

receive a tax credit today, it does shield them from the impact of the increase. The people who don't receive a subsidy get the full impact of the increase. And for many of them who discussed today, it's not just our rate increase, if they're coming from a plan if they're paying less than a Medica rate today, they get that adjustment and increase.

That's gonna have an impact, as we've heard today, about who will and will not be able to stay in the marketplace. And as I discussed one of the factors in our rate increase was morbidity, which does take those things into account.

Unfortunately, we're bound under current law by the subsidy structure that is in place, and that cliff exists, and it's a very severe cliff for people who don't get the APTC.

COMMISSIONER OMMEN: Thank you.

Any other questions, Ms. Robinson?

MS. ROBINSON: Just one. I was asked by a member of the public to get information about the types of plans, as far as you're able to share, that Medica hopes to offer. Many Iowans traditionally were very used to having PPO options, but it is the trend in health insurance to move to more exclusive provider coverage, which can be more difficult,

especially for some of our Iowans that live in more rural areas, or have providers that go across different healthcare systems.

Are you able to share with the public today your hopes at Medica as to what type of coverage options will be available generally?

MR. BARTSH: In a lot of situations where we had a competitive market, I may not be willing to do so, but...

MS. ROBINSON: And I respect that.

MR. BARTSH: As we look at the Iowa marketplace for 2018 much of the state will have a, what I would consider a broader network option. Pretty consistent with the products that we have in the marketplace today.

There will be some areas of the state that have an additional option. That would be a narrow network plan. There will be some areas of the state where the product we have is a limited network option where there's, potentially, a smaller number of provider systems that are in network. All those plans still do provide an out-of-network benefit with a much larger group of provider options available to them.

To your question earlier about what are some

of the things that we're doing to control costs. While it's not always a popular option with consumers, one of the ways that we've been able to even minimize the rate request that we've brought forward is by working with some of those care systems and putting products in the market where our reimbursement rates are smaller, but it's based upon that narrow network product offer.

COMMISSIONER OMMEN: Thank you. Thank you for being here today.

MS. ROBINSON: No other questions. Thank you.

COMMISSIONER OMMEN: All right. That will conclude the public hearing on the Medica Insurance Company rate request.

I think I'm now prepared to open the comments on Wellmark, Inc.'s, requested rate increase with regard to their grandfathered plan.

MS. ROBINSON: Thank you.

The Consumer Advocate Bureau was notified on June 21st, 2017, that the collective companies for Wellmark, Inc., are seeking a proposed average increase of 9.4 percent to 14.2 percent. The 9.4 percent increase applies to pools 3 through 5, and the 14.2 percent increase applies to all Farm Bureau

and standard and basic plans. All the plans affected are either grandfathered plans or transitional business plans for a total of 73,013 covered lives.

The proposed rate increase would become effective January 1st, 2018, if approved. As the amount proposed exceeded the most current average annual health spending growth rate, the Consumer Advocate solicited comments regarding the proposed increase.

In the actuarial review the proposed rate increase has been reviewed by both Iowa Insurance Division in-house actuaries and an independent third-party actuarial firm. The combined summary of the two reviews has been created and posted for the public. A few of the brief comments included in the summary are included in the following information.

The current medical loss ratio for Wellmark is 86 percent, which is above the federal requirement of 80 percent. Without the rate increase in 2018 Wellmark is projected to have a medical loss ratio exceeding that of 94 percent.

If a 12 percent increase is granted the actuaries project that Wellmark will still meet the federal requirements of at least an 80 percent medical loss ratio. The projected average premium

will be $406.67 based upon an average increase of $44-a-month.

The Consumer Advocate also reviewed the actuarial memorandums, and the data shows that the pools are slowly trending and losing their members each year. While the combined pools still total a large number of combined covered lives, at this time the perpetual loss of covered members over time will cause the pools to become more expensive as there will be less individuals to share the risk of the combined membership in the rating pools.

Another worthy note is that these older policies do not share the Affordable Care Act's rating rules as they are grandfathered. This means that the age ban increases can be quite significant and are separate from the base rate increase that is subject to prior approval by the Commissioner.

In fact, Wellmark's memorandum points out that the five-year age bands may receive rate increases based upon age only, which is not subject to prior approval, and up to 37 percent between age bands. Traditionally, the higher age bands suffer from the stiffest increases. This is unfortunate as it is usually those members who tend to have more fixed incomes and may have difficulty adjusting to

the increases.

This also means that whatever base rate increase is approved for Wellmark's policyholders will be combined with the age increase to help form the new premium amount.

In regard to public comments, the Consumer Advocate has received 48 comments and concerns directly from policyholders or members of the public. Like most who are subject to the proposed rate increase, the comments focus on affordability. Due to the length of time Wellmark has offered individual policies many of these policyholders have seen steady increases from their Wellmark plans over the years.

These affected Wellmark pools have been receiving rate increases every year to every other year, which has led to some premiums ballooning from their original rates, and an overall rate increase fatigue by its members.

One policyholder commented, "I'm with the other responders to the increase of the premiums again. I'm pretty healthy. I have been with Wellmark for years. I have to pay for my premiums myself. My husband is retired and has Medicare and a supplement. It's tough working part-time to pay for the extreme amount now. Please don't increase the

premiums again."

Another comment had, "I am over 60. In the last six years my premiums have doubled. I was paying $800-a-month for an individual policy and now it's $1,600-a-month. When do these increases stop? They are based upon what? I'm paying almost $20,000-a-year for insurance. Now I'm retired and Wellmark wants another 9.1 percent increase. I can't even write this off my taxes."

These plans also include a book of business with Farm Bureau, which marketed policies directly to farmers and small business owners. Small business owners often have no choice but to purchase coverage privately as they do not have employers to provide coverage and their operations may be too small to include employees, which will allow them to purchase a small group plan.

This means some business owners are left with a choice of finding a way to pay for an increase in rates, which may mean taking up additional employment, leaving their small business or dropping coverage.

One such policyholder stated, "I'm a farmer and we have a family coverage. When we first got the policy it was $13,000-a-year for family coverage.

Now it costs $21,400. A 14 percent increase would be $3,000 more per year than we currently pay. Farmers can't afford this kind of increase. This is just a bad deal."

Finally, the comments included concerns from policyholders who feared that what coverage they would have available to them if they didn't pay for their grandfathered Wellmark plans. Some feared that the coverage will be reduced and others were concerned that the State of Iowa's health insurance market may leave them uninsured if they don't find a way to pay for the rate increase.

As shared by one policyholder, "My husband and I are both tax accountants and are self-employed. We have three teen to college age children. In 2008 our annual premium for the five of us was $7,913. The next year it was increased to $8,335 and now our annual premium is $18,639. After a 14 percent increase our annual premiums will be in the $21,200 range. I'm afraid for my husband and me, too because there's no going back after of you've left a grandfathered plan."

The policyholder goes on to say that she and her husband are considering pulling funds from their retirement just to pay for health insurance.

None of the comments received endorse or approve of the rate increase premiums. While some understood that, perhaps, an increase would be needed, all agreed that given the perpetual increases the current proposed rate increase was not endorsed.

In summary, the actuarial summaries show that Wellmark's request would likely place rates at a federally approved threshold close to 80 percent. Without the rate increase Wellmark is facing a possible higher medical loss ratio of 94 percent, which is still under 100 percent spending on the medical loss ratio.

Given the need to avoid adding uninsured Iowans to the current collapsing health insurance market, perhaps a smaller increase would be warranted for Wellmark policyholders as Wellmark's medical loss ratio continues to operate under all scenarios without a loss.

Again, for the record, comments received and posted today--by today's date have been included in this testimony reported as required by Iowa Code 505.19(3). However, comments will continue to be received until the Commissioner makes the final decision on the proposed rates.

Any additional comments received prior to

the Commissioner's decision, but after the presentation of consumer testimony today, will be recorded on the public rate hearing site.

Thank you.

COMMISSIONER OMMEN: Thank you, Ms. Robinson.

Let's move to those that wish to make public comments with regard to the Wellmark rate increase for the block of grandfathered and some transitional plans.

Again, I'll go through this list and call upon you as they appear.

Traci McMullen indicated no comment.

Laura Anspach.

MS. LAURA ANSPACH: I already spoke because Blue Cross is offering nothing, so...

COMMISSIONER OMMEN: Okay. Bernie Saks.

MR. BERNIE SAKS: My name is Bernie Saks. I'm a part-time physician and a small business owner, a restauranteur, in Dubuque, Iowa. I quit my medical practice full-time to open a restaurant, which will probably qualify me as foolish. But I wanted to at least offer some comments here because I have the wonderful opportunity to see medicine from both sides of the table.

I can see it as a consumer of medicine with

my wife and children, how much the costs are, and I can see it as a physician seeing how costs get generated.

Everything I say now I say now as a patient advocate. I have taken off my physician's hat here and will say everything in defense of everybody in the room today.

Angel Robinson sent me a link that has annual statements for Wellmark. This was from December 31st of 2016, which is their most recent statement. Wellmark generated about $316 million in premium income. They are requesting a rate increase of 9.4 percent, which based on that number, would be an increase of $29.7 million.

They were gracious enough to break that down in letters that were sent to everyone to attend this meeting. In three specific requests, one, is for medical trends of 3.1 percent, the other is government fees at 3.8 percent. The last is administrative expenses at a 2.5 percent increase. Those three totaling 9.4 percent.

The administrative increase by itself will generate for Wellmark $7.9 million additional dollars, at least according to the values I had, which sound a little bit different from what Angel

mentioned just a second ago.

It had hospital and medical expenses at about $250 million, which I gave a gross calculation of about 79 or 80 percent. Their general administrative expenses were listed on their annual statement at $53.9 million general administrative expenses. $53.9 million, or about 17 percent of the premiums that they generate. So of all the premiums we pay to them, 77 percent gets chewed up for providing no medical services at all.

With those numbers as background, I am curious about a few things. One is the number of claims they process each year, and, two, the cost associated with each claim.

These are the observations that I see. That what is happening to patients at this time is insurance costs are going up, deductibles are going up and out-of-pocket expenses are going up. Now, if increased deductibles, the amount of money that is paid by the patient goes up, the amount of money taken to process each and every one of those claims goes for very little.

If I were to visit my doctor today I would get an Explanation of Benefits from Blue Cross and Blue Shield that would probably say because of my

deductible it's all yours. And I wonder how much costs that don't go to generate medicine are used to churn through these administrative claims from the insurance end.

I see it from the physician office end as well. The amount of labor time and cost it takes to generate a claim, to send it to the insurance company, only to have them tell the patient you got to pay your doctor.

With increasing deductibles going up, more and more of the costs that we spend on premiums goes less and less to the actual cost of healthcare services.

Now, if we look at the two trends that they mentioned, one is the medical trend. What I would say is this: I do not know if you can or cannot help as your position as the Insurance Commissioner, but we as patients have to be savvy consumers.

The one way that we can be savvy consumers is by having price transparency. I don't know if there's anything that you can do through your office to have price postings for costs of medicines, medical procedures, hospitalizations, so that each and every one of you individuals in this room can say they want to do this, now I know how much it cost

before I get the bill from the doctor or the insurance company. That is something I think that would be easy and probably wouldn't require any legislation.

The second control of medical trends has to do with each and every one of us in this room. And I'm saying this again as a patient advocate. We all need to be involved with how we spend our money. Health insurance is not healthcare. The insurance increases that we see every year shouldn't be a shock to us if we didn't consume and utilize appropriately the year before. That's where the onus is on us as patients.

Please do not assume that your doctor has your medical economic interest in heart. They're doing their job. As foolish as it was for me to quit medicine full-time to open a restaurant, here's another example I can give you to just show you how foolish I am.

I'm a radiologist so I interpret images, CAT scans, MRIs, things like that. They can cost a lot of money really quickly. Oftentimes people show up at the hospital I work at for a procedure. I see actually no utility in doing it.

I have one or two options. One is I can go

into the room and speak to the patient before I do it and spend 10 or 15 minutes of my time explaining why it may or may not change management or decisions for outcome. And if they believe me and listen to me, they'll walk away without that procedure. I've spent 15 minutes of my time talking someone out of doing something that generates no income for me. Foolish. Or I could have just done it, had the bill submitted to the insurance companies, and made money doing it.

I'm not saying that physicians are all nefarious, all I'm saying is that you, as patients, have to be your own best advocate. You need to ask the right questions. What are we doing, why are we doing it, what might we learn from it. What we learn from it may or may not change management for what we need to do.

Now, insurance is not healthcare. And someone spoke about the models that we have. I'm not fully convinced that health insurance is a viable model myself. I believe life insurance is, homeowners insurance, auto insurance are all viable models. But I am not convinced that healthcare is a viable model. All I know is that fragmentation in health insurance is a problem.

Whether single payer is the answer, or not,

I don't know. But if we do single payer, where we still have money being paid for procedures that aren't worth while, we're still going to have increased costs, but we may be able to save some of those administrative fees.

If we were to go to a grocery store and we went to the checkout stand and looked at our bill and we thought it was too high, we'd be thinking one of two things; one, maybe I bought too much food; two, maybe the food that I bought wasn't a good value.

I think we need to start thinking about healthcare in that way. Are we consuming too much. I think that the answer is yes. The reason that we have such high costs for healthcare in the United States as opposed to other civilized countries is we consume too much of it. A lot of it just doesn't go to changing management.

Now, if we were to stratify people into four groups, it would be this: People that are either healthy, or people that are sick, people that are savvy, or people that are non-savvy.

It's very easy to see that where the most healthcare dollars are consumed are by people that aren't savvy. If you're healthy and savvy, you take care of yourself, your out-of-pocket expenses are low

but your premiums go up because you're pooled with everyone else.

If you're healthy but not savvy, every once in a while you go to the doctor for something that probably doesn't matter too much and you waste a little money, but it's not exorbitant.

Then there's the sick group. The sick group basically could be broken down into two components. One is people that have illnesses that are beyond their control, and the others that have illnesses that are within their control. Those are the people that if we all change our behavior we can save money on it.

Then, finally, there's the people that are sick and non-savvy that say, I'll smoke, I'll drink, I'll eat lots of sugar, you take care of me when I'm done, and they do most of us no good.

What I'm saying here is that we need to do two things. Health insurance being fragmented again does not help us. Divided we fail, but united we bargain.

I think that all patients in the State of Iowa should get together and say enough is enough. As long as they split us, we have no power. But my feeling is that you could do a single payer system,

and it doesn't need to be the Government. It could be put out to bid like building a bridge. Health insurance is a utility, as far as I'm concerned. It provides no healthcare, it's just a means to pay for healthcare.

And it really does not require a lot of infrastructure. It's no underground cables, or things like that. It's number crunching. It can easily be put out to bid if we as patients unify and say here we are. We've got X million lives here in Iowa, do you want the business, or not. And if you want the business, this is what we expect.

COMMISSIONER OMMEN: Thank you for those comments.

(Applause.)

COMMISSIONER OMMEN: Rachelle and Steve Gray.

Good morning, sir.

MR. STEVE GRAY: Good morning. Steve Gray, G-R-A-Y. Thank you for your time today and listening to us as consumers of healthcare.

My family is a small family of four. I have two young kids. We just cannot afford healthcare. We just cannot afford what we're paying for insurance.

I farm a small farm, family, and do ag sales on the side to supplement the income. You know, to pass the time in the back room on the phone I'm looking at the ag markets. I don't know if it's known in this room, we're in an ag crisis right now, a serious ag crisis.

Looking at the local co-op $2.90 for a bushel of corn, $8.92 for a bushel of beans today. Five years ago when I started farming, I sold my first bushel of corn for over $5, sold my first bushel of beans for over $13.

That income is gone. What do I have to do to stay alive to farm? I have to control my spending. I have to control my income. Is this happening with Wellmark Blue Cross and Blue Shield? Are they controlling their spending, are they controlling their income?

We're sitting in a room full of small business owners. Can anyone in this room go to their customer and say our service, our product we're selling, we're going to increase the price next year by 9.4 percent, maybe 14 percent? Can you retain customers doing that? Anyone here, can you do that with your small business? Absolutely not.

Listen to the people in this room,

Mr. Commissioner. These are real people. This affects real lives. Our premium increase will be $1,350-a-year. Where does that money come from?

My daughter is in this room with me today. Does that money come from her college education fund? Sixteen years from now do I say to her, "I'm sorry. We're going to saddle you with the cost of going to college. You're gonna have to take out a loan to go to college. Eighteen years of your life I couldn't put money into a college fund because I'm paying for healthcare."

These are real people, real lives, take that into consideration. Tell them no, enough is enough. Thank you.

(Applause.)

COMMISSIONER OMMEN: Thank you, Mr. Gray.

MS. LAURA ANSPACH: Sir?

COMMISSIONER OMMEN: Yes.

MS. LAURA ANSPACH: I have--

COMMISSIONER OMMEN: Okay. Hold on. Let me come back to you.

I just want to make sure that I've covered the others that have indicated that desire to testify. Some of you marked undecided. Before we go back to this consumer, are there any others who

expressed an interest here, or maybe were undecided about whether or not they would like to comment regarding the impact of the Wellmark rate increase request?

All right. Ma'am, please come forward.

MS. JANELLE JACOBSEN: My name is Janelle Jacobsen, J-O-C-O-B-S-E-N. I am a customer of Wellmark that was one of those that's now being dropped. I'm not sure I fall in this category, but wanted to tell my story of a single member LLC in Iowa.

I hear on the news where, you know, we can change our corporation to be part of a bigger pool. However, as a single member LLC, that's not an option. So I'm looking at options. I'm trying to really kind of learn can I go out of the ACA. It is at a point where right now I'm at $7,500-a-year. I'm 53, single, business owner. I have a $6,500 deductible.

When I do the Medica calculations, I'm at $17,000, so my business needs to budget $17,000 likely next year. It probably will go to my customers. I will pass that through. But I was hoping that we can get rid of the unpredictability.

I started my business the last two years.

That's what kicked me out of Wellmark. I have no preexisting. It's to a point now where I'm better off paying for my preventative out of my pocket, it's just what risk do I want to carry. I'm 53 and have a ways to go yet before I can let the Government take me on, so I'm hoping something can be done.

I just want to say I appreciate your leadership. When you come on the news with what you're trying to do you get my ear. I appreciate what you're trying to do. I did contact Grassley, Ernst, Young. I hear from AARP. I'm a member of AARP, and it was hard to hear how they were fighting against everything because they were going to go up to $13,000 for individuals as senior citizens, and I'm sitting here paying that already and I'm a member of AARP, so they got my earful, too.

I do appreciate it. I hope it can be fixed to where the predictability can now occur a little better among all the people. I'm sad Wellmark dropped me because I loved the insurance. I loved my doctors. And you were making money off of me. It's unfortunate. It's just a bummer deal.

I appreciate your leadership.

COMMISSIONER OMMEN: Thank you for those comments.

All right. Let's, again, yes, you may offer one more comment, please.

Again, if you would re-identify yourself.

MS. LAURA ANSPACH: Laura Anspach, A-N-S-P-A-C-H.

A thought came to me as a healthcare provider. When people are making choices we have a lot of people that have diabetes. Many of the costs of diabetes are not covered. But what the world doesn't realize is that diabetes affects every single organ in our bodies. By having to choose whether to take care of it, then that brings up costs like amputations, major infections, and things like that.

So just a point to be considering.

COMMISSIONER OMMEN: All right. Thank you.

Thank you very much for all the comments that were offered. I greatly appreciate that. There's a lot to think about.

Let's move to the remote locations that we have. Again, I don't know if we were able to go to Atlantic.

Do we have Atlantic? Any comments with regard to the Wellmark rate increase request in Atlantic?

All right. Thank you for being in

attendance.

Let's move to Cedar Rapids, are there any public comments with regard to the rate increase in Cedar Rapids?

MR. JOHN ZAKRASEK: My name is John Zakrasek. My last name is spelled Z-A-K-R-A-S-E-K, I'm self-employed. My current plan has a $3,500 deductible, and preventative care is limited at $500-a-year. There are other significant limitations in what's actually covered by the policy. It costs $500 a year, and I pay for it myself.

The point I want to make is that billing practices encouraged by insurance companies are inflaming payouts and contributing to rate increases. Let me give you an example. When we used to go for a physical you could go in and you could talk about anything that was affecting you and the doctor might identify things, and that was all just a part of the physical.

Now when you go for a physical, if you ask any questions or they identify anything during that physical, it's all billed in addition to the physical as a separate office visit. So you can go in and have a physical and also get billed for two, three, four, five office visits at the same time. You might

be in that office with the doctor for only 15 minutes.

So when this happened the first time, and this was just recently, we called the insurance company because we couldn't see anything on the EOB that explained why we were being charged. No information. We called the central billing for the doctors. They said call your insurance company.

We called the doctor's billing specialist. She said that if you identified any issues, or the doctor does during the visit, then they're all separate office visits. She said the reason that that's being done is because the insurance companies require it. They don't want you to get anything for free. That's a direct quote. This happened twice over a period of about six months. We had the same conversation.

Then the other thing that's happened is we used to be able to call the doctor and make an appointment and get in. Now, the only way you can get in if you're sick is you have to go to urgent care to see your doctor. Well, urgent care costs 75 percent more than a standard office visit.

Just think about it. If you have 73,000 people. That's the lives covered by these insurance

policies. They go have physicals and they get billed for two additional office visits. And then in addition, they go during the year because they're sick and have two urgent care visits, I figure those increases, based on the EOBs we get, would amount to about $262. For 73,000 people, that's well over half the rate increase that's being requested here.

Commissioner, I ask you to give consideration to the fact that there may be many other billing practices that are being changed and contributing to these increases. Please look into them and deny all the rate increases that are related to these changes in billing practices.

Thank you very much.

(Applause.)

COMMISSIONER OMMEN: Thank you, sir, for those comments.

All right. Any other comments in Cedar Rapids?

MR. RICK SMITH: My name is Rick Smith, S-M-I-T-H. I'm here today attending this meeting, and I missed the last one, but I figured I'd come and speak my piece, if nothing else.

I recently received a notice that Wellmark Blue Cross wanted to have these meetings for

increases. Well, my only question is I already received and have been paying an increase starting January 1st of this year.

Now, I realize things go up, but my only question is the fact, why do they need to go up in such a generic range. I mean, a range from 14.2 to 9.4. I think you may have to do a little checking, or maybe have them check their books, or something. Right now the way it works I have been at my current job for 21 years and it takes me three-and-a-half weeks to earn that premium, which at this stage is double what my house payment is.

How many times are they going to raise the increase to a point where you have to make the decision between health insurance or a place to live. I'm gonna have a house that I've worked so hard for and lived in for 21--19 years go away, or do I live in a box and have health insurance with no address.

I don't want to make that decision. Maybe you need to do a hard look at everybody's figures and say, well, do we really need an increase or do they need to maybe trim their fat and tighten their belts up a little themselves.

Well, that's enough of me. I'm finished.

COMMISSIONER OMMEN: I appreciate those

comments. There's information there with that venting. Anyway, thank you very much.

In addition to that, is there anyone else in Cedar Rapids?

MR. RICK SMITH: That's all for Cedar Rapids.

COMMISSIONER OMMEN: All right. Thank you.

Let's move to Columbus Junction. Are there any comments from individuals in Columbus Junction? I think that was the room that may be empty.

MS. KIM ANDERSEN: Hello?

COMMISSIONER OMMEN: Yes. Hello.

MS. KIM ANDERSEN: This is Atlantic.

COMMISSIONER OMMEN: Oh, this is Atlantic?

MS. KIM ANDERSEN: Yeah. We kind of got cut off the last time when you came through our city.

COMMISSIONER OMMEN: All right. I'll back up. Let's take the comments, if there are comments, from--with regards to the Wellmark rate increase. We'll take those first. I hope you've been able to hear what's been going on here.

MS. KIM ANDERSEN: Yeah, we have been.

COMMISSIONER OMMEN: All right. Let's begin then with Wellmark. If there are those that wish to comment on Medica, we can return.

MS. KIM ANDERSEN: We had the comments for Medica, we just kinda got skipped over for Wellmark.

My name is Kim Andersen, A-N-D-E-R-S-E-N. I've gotten a letter from Blue Cross and Blue Shield, which everyone else did too, which split out the cost increase that they're talking about.

When I went online I looked a little bit about Blue Cross and Blue Shield. And they said it was their goal to never have medical trends go above the inflation rate. So they're proposing a 3.1 percent, which is above the inflation rate. It's now at 2.7. Apparently, they are unable to meet their goal.

Also, they're saying that a health insurance fee is going to be reinstated by the federal government in 2018. Did they collect this fee for 2017 since it was not paid into the federal government? It was waived? What did they do with this money? Also, it has not been decided that that 3 1/2 percent will actually have to be paid back to the government.

And as for the pool, Blue Cross Blue Shield is the one that is responsible for shrinking our pool because they stopped selling insurance to individual plans.

I'm not just real sure what the goal of Blue Cross Blue Shield is. They increase our rates every year and we can't afford this. I'm one of the luckier ones that my rent isn't high, and my health insurance isn't extremely high, but it is well above many other things that I do have to pay.

I would just ask that you just look at their fact sheets. And maybe they don't need a 16 percent return on their money. Maybe they can come back to what, you know, the average American is getting. Maybe a bank savings account, try that kind of return once and see how it goes.

I don't have anything else to say.

COMMISSIONER OMMEN: Thank you.

Any other comments in Atlantic?

MS. KIM ANDERSEN: That's all.

COMMISSIONER OMMEN: All right. Thank you.

Are there any comment in Eldora with regard to Wellmark's request? That was the place that no one is at now.

Spencer, any comments from individuals in Spencer?

Any individuals in West Union?

MS. ROBINSON: They didn't lose video, they turned it off. The gentleman left.

COMMISSIONER OMMEN: All right. That appears to conclude the opportunity for public remarks, public comments.

I'll call for anyone from Wellmark who wishes to offer any comments.

All right. They did advise me ahead of time that they did not intend to, but I wanted to make sure they had an opportunity to do so.

All right. I do have on the agenda the opportunity to make some closing comments.

I've been looking at these issues for quite awhile now and I think I share a lot of the sentiments that were expressed by the individuals in this room.

You know, that individual market has really been a challenge for every state. Not just beginning this year, but dating back over a number of years. Carriers do compete within segments of the market. It's been said that the more segmented the market is, the more difficult it is as regulators to manage that risk.

You've heard my statements about where we--how we got here. And I guess I would just leave it as my responsibility. And, frankly, the only authority that I have is to deal with the

circumstance that we find ourselves in. I can't fix what was done before, and I really don't have a whole lot of power to fix what's coming before us. My job is to try to find a way to manage through where we are. And I guess it's from listening to the rate increase requests and reviewing what you have in front of you, you can see the segments are making it a challenge.

We did have a high-risk pool, and we still have a high-risk pool. That's where a lot of individuals that had circumstances that I would describe as persistent high-cost experiences were often able to go to.

People that go in and out of bad circumstances can still be managed within an appropriately sized pool of individuals. The challenge is that if you view ratemaking as a way to solve that problem, you're also destined to fail. That's adverse selection.

Mandate or not, people will view it as the rates go up it's not really something that they consider appropriate. Certainly nobody in this room is going to disagree with the concept that if over half your income becomes something that's demanded for an insurance payment, again, mandate or not,

you're going to view it probably as unaffordable.

Again, to return to my responsibility, it's to look at the individual rate filings, it's to make a decision under the law as to what is appropriate and reasonable, is neither inadequate nor excessive, that doesn't unfairly discriminate. And that's, frankly, about all the authority that I do have. I've said it before, but Congress has got to fix this.

Anyway, I don't have anything further. We can close with that.

Thank you very much for being here.

(Applause.)

(Hearing concluded at 12:20 p.m.)

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 11th day of September, 2017.

CERTIFIED SHORTHAND REPORTER

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