PUBLIC HEARING TO RECEIVE PUBLIC TESTIMONY AND COMMENTS

IN RE: PROPOSED 2027 HEALTH INSURANCE RATE INCREASE

Avera Health Plans - ACA Policies
Iowa Total Care, Inc., d/b/a AmBetter - ACA Policies
Oscar Insurance Company - ACA Policies
UnitedHealthcare Plan of the River Valley - ACA Policies
Wellmark Health Plan of Iowa - ACA Policies
Wellmark, Inc. - Pre-ACA Policies

IOWA INSURANCE COMMISSIONER DOUGLAS OMMEN, Presiding

Also Present for the Iowa Insurance Division:

RUSSELL GIBSON
Consumer Advocate

ANDRIA SEIP
Senior Health Policy Advisor

CODY BUTENHOFF
Administrative Assistant 2

Thursday, August 20, 2026
5 p.m.

Iowa Insurance Division
Mississippi Conference Room
1963 Bell Avenue
Des Moines, Iowa 50315

THERESA KENKEL - CERTIFIED SHORTHAND REPORTER

I N D E X

P R O C E E D I N G S

COMMISSIONER OMMEN: Good afternoon to all of you. Let's check--do a sound check here, make sure we don't get feedback.

All right. Cody, do we have sound now, are you able to determine?

MR. BUTENHOFF: Yes. We should be good.

COMMISSIONER OMMEN: I'm Commissioner Doug Ommen. I'm here to receive comments on rate filings that were submitted in our individual health markets. Welcome to all of you who are attending today, those that are online as well as--we may have several--an individual here in person.

While I have not yet had the opportunity to review all the actuarial reviews performed by actuaries on my staff, it's clear from a number of the filings subject to review that we are experiencing significant change in the individual market.

Iowa Code, Section 505.19, establishes this public hearing on proposed individual health rate insurance increases which exceed the annual health spending growth rate. This annual health spending growth rate is published by the Centers for Medicare and Medicaid Services of the United States Department

of Health and Human Services. I've been advised that the health spending growth rate this year is 5.6 percent.

The purpose of this hearing this evening is to gather comments and information from individuals who are going to be impacted by rates that have been submitted in these plans. My rate review is to determine whether the rates are neither inadequate nor excessive.

This review is done on an individual insurance pool basis. Each company files its proposed rates based on prior experience of losses and expenses in a particular insurance pool. The law does not direct me to look at a company's separate group rates nor its self-funded business that may be--it may be servicing as a third-party administrator and is governed by the Federal Department of Labor under ERISA.

Our rate review authority is primarily a function of evaluating carriers' experience in dollars paid out to cover healthcare costs in the form of claims for a particular insurance pool with proposed rates that are designed to collect enough premium to cover those claims.

In reviewing the rates, the impact of the

rates is important. So to begin with, I've asked a senior health policy advisor to the Commissioner, Andria Seip, to provide some additional information about our health insurance market.

With that, Andria.

MS. SEIP: Thank you.

I'm Andria Seip. I'm going to provide a little bit of information about--excuse me--about our healthcare market. I think as we begin the hearing it is important to just share some general information about Iowa's total healthcare market.

This slide gives you an idea of where people get their insurance in Iowa and this is data from 2025. You can see the total Iowa population in 2025 was just over 3.2 million.

Most Iowans get their coverage through their employer. You can see about 34 percent of people get their coverage in that--in that way, with another 42 or so percent getting their coverage in Medicare and Medicaid, the programs--health programs.

When we talk today about the individual market, we are talking about this line item here, ACA and pre-ACA coverage where approximately 4.6 percent of Iowans get their coverage.

In spite of the small number of folks in the

individual market, these individuals are usually our farmers, our entrepreneurs, sole proprietors, and people who are really essential to Iowa's economy so it is important for these folks to be able to find affordable coverage.

On this slide you can see the numbers of folks who are on our individual market. This slide--this bar chart here shows that there's been kind of a rather steady increase in enrollment over the years with the exception of 2017 and '20--and this year really the numbers have had a steady increase in this on-exchange market. I call it the on-exchange market because that's where individuals who are eligible for subsidies are able to get subsidies, in the on-exchange market.

The off-exchange market you can see represented here in the bar chart to the side, a lot less enrollment in this market. This market, subsidies are not available so I think what this does show is that we see most people who purchase an ACA plan are purchasing that because they're eligible for subsidies.

There's also the pre-ACA or grandfathered and transitional markets. These are plans that were in existence prior to the implementation of the

Affordable Care Act and you can see that the market has kind of really had a steady decline over time with 26--after four months in 2026 there being just under 19,000. So this market really has steadily declined over time.

So onto just giving some general information about our rate review process. Each proposed rate change under those two separate actuarial reviews, the Insurance Division's healthcare team, which includes an actuary, does independently evaluate the rate increase request and an outside consultant actuary also performs a secondary review. Before a recommendation is made to either approve, disapprove, or modify the proposal, the two rate review teams must reach substantial agreement on the appropriate rate action. This dual review process has been in place since 2008.

For the individual healthcare rate filings the reviewers examine the insurer's premiums, claims, enrollment, loss ratios, historical experience, and other supporting information. They also evaluate the company's assumptions regarding medical trends, including the changes in both the cost and use of healthcare services.

Forecasting models, scenario testing, and

other actuarial methods are used to determine whether the proposed rates are reasonable and justified.

The Division's rate review methods have been refined over many years. Following the enactment of the ACA, the INS Companies, which is an independent outside consulting agency, conducted an in-depth review of the Division's process and found it to be comprehensive, rational, and actuarially sound.

The Centers for Medicare and Medicaid Services, or CMS, has also recognized Iowa as having an Effective Rate Review program. These safeguards help ensure that every decision following this hearing has been independently and thoroughly reviewed.

The rate review process for this year began in June. This is a requirement by--this deadline is a requirement by CMS.

On July 16th there was a court hearing that impacted all ACA filings nationally. All carriers had to make changes to their policy designs. Because of this, there was a slight impact to the rates and all carriers had to resubmit not only their policies but also their rate designs after this court ruling.

Regardless of the Court decision, the ACA generally requires insurers in these markets to spend

at least 80 percent of their premium revenue on medical care and activities to improve healthcare quality. This is called the Federal Medical Loss Ratio, or MLR. An 80 percent MLR means that approximately 80 cents of each premium dollar is used for medical claims and quality improvement activities.

If an insurer fails to meet the Federal standard over an applicable three-year period, it must provide rebates to consumers through a federally-prescribed process. The rate proposal will not be approved unless it is expected to comply with the MLR requirement.

Aside from the Division's review process it's also important to understand how the affordability of the individual health insurance has been affected by the Federal premium subsidies. These subsidies are also called Advance Premium Tax Credits or APTCs. The subsidies are directly based on individuals' incomes and they are not tied in any way to the actual premium amount.

During the COVID--the COVID-19 pandemic, the U.S. Congress temporarily expanded the ACA subsidies beyond what was originally enacted. The changes resulted in subsidies being provided to households with income above 400 percent of the Federal poverty

level and also increased the subsidy amount for many households below that level. The enhanced subsidies were available through the end of calendar year '25.

The enhanced subsidies did expire in '25 and consumers returned to the original ACA subsidy structure. Those individuals who were eligible for subsidies saw premium increases. But, again, this is due to the change in the subsidy structure requiring individuals to pay larger percentages of their income. Those who were not eligible or who are no longer eligible for the subsidies are faced with paying the entire premium amount.

And here are those subsidy levels just for reference. You can see that--you see the ACA and the Inflation Reduction Act Subsidies. And, again, these are based on an individual's income. So when we look at folks who have income between 300 and 400 percent of FPL, they were able to pay 8.5 percent of their income but now they're paying 9.3 percent of their income in this year and as they will in 2027.

A significant difference here, you can see that while the enhanced subsidies were in place because of the COVID-19 pandemic, everyone was eligible for subsidies. They would never pay more than 8.5 percent of their income. That is no longer

allowable. Subsidies are no longer available for folks who have more than 400 percent of FPL, the Federal poverty level.

And so to put some numbers on what those subsidies do for individuals, here's an example of a family of four, two 28-year-olds with two four-year-old kids and they are making just under 200 percent of the Federal poverty level. You can see that their income is just under 64,000. In 2025 this family was eligible--would only pay 1.96 percent of their income. So they were only going to pay $101 for premiums every month.

In '26 that level changed and now they have to pay up to 6.47 percent of their income. You can see that their premiums would have gone up by over--by over $240 again because of the income change here, not necessarily related to the amount of the premium.

This example below is a little more drastic. You can see here's a couple, both age 55 and making 450 percent of the Federal poverty level, or about $95,000. In 2025 these individuals were eligible for subsidies. Again, they would not have to pay more than 8.5 percent of their income, or $651 a month. Without the benefit of the subsidies in 2026, these

individuals have to pay the entire monthly premium of $16--$1,658. So their monthly premium has gone up by over a thousand dollars.

As coverage becomes more expensive, some healthier individuals decide to remain--to just go uninsured. You know, they may need to prioritize their monthly income differently, prioritize their spending differently--this really can weaken the risk pool-- or go uninsured. If folks go uninsured, this can weaken the risk pool, it can increase average claim costs, and really place upward pressure on premiums for those who remain.

The expiration of the enhanced subsidies is a significant factor affecting the 2026 enrollment and also the development of the 2027 premium rates. Individuals who are eligible for subsidies are somewhat shielded by the actual cost of premiums as we just discussed. But the true cost of healthcare and healthcare insurance premiums is reflected in the increasing amount of subsidies that are being provided. The subsidy amounts are substantial to cost payers--or to taxpayers. You can see here that in--you can see here that in 2023 Iowans received 489 million dollars worth of subsidies. In '24 they received over 611 million dollars worth of subsidies.

And in 2025 the actual number did drop--the actual number here did drop at the end of the year to--end of the year at 603 million dollars in subsidies.

In 2026 we anticipate there being over 550 million dollars provided to Iowans in subsidies to help make their insurance more affordable and this really does present a legitimate policy trade off. The enhanced subsidies make coverage more affordable and do give access to healthcare to many Iowans. However, there's also significant Federal spending involved with these subsidies.

I think now the Consumer Advocate does have a couple opening remarks so I would like to introduce Russ to give those opening remarks.

MR. GIBSON: Thanks, Andria.

My name is Russ Gibson. I'm the Consumer Advocate for the Insurance Division and I'm going to place the agenda in the chat for those online.

Cody, would you be able to get the agenda in the chat?

There is a copy of the agenda for those in attendance here and it's also available on our website. Again, just a reminder, this is a public hearing and we do have consumers in attendance in person and virtually via Microsoft Teams.

For those in attendance here, you're given a sign-up sheet with the option to make a public comment. And just so that you're aware, when your specific health--this would be for anybody wanting to make a comment. When your healthcare provider's proposed rate increase is discussed, I will go ahead and call your name and you'll have an opportunity to comment. I do ask that you speak loudly and slowly enough so that those in the virtual meeting can hear and so that the reporter can hear as well. Let me just ask that you state your name, spell your name, that would be appreciated.

If you are on the phone you are muted. So during the opening comments section for your--again, for your healthcare provider's proposed rate increase, if you'd like to make a comment, please dial star 5 to raise your hand and you'll be advised when it's your turn to make a comment, and then push star 6 to unmute. I can review those as needed. And hit star 5 again to lower the hand when you're done.

If you're on the virtual feed, you're also muted. If you'd like to make a comment during your healthcare provider's proposed rate increase, please raise your hand via the raise hand button on the console on Microsoft Teams. When you do that, we'll

call on you and then you'll be unmuted in order to make your comment during the company's section of the hearing. Once your hand is raised and it's your turn to comment, you'll be unmuted.

Again, for those online, if you could speak loudly enough and slowly enough and then spell your name for the record we would appreciate that, again being a public hearing.

If you do not wish to speak but you would like to leave a comment, for those online you may place your comment with your first name in the chat section. Please note the name of your insurance company and whether it's an ACA policy or not.

All consumer comments may be made after remarks by the company, if there are company representatives available.

And other than that, I don't know that there's any other housekeeping items that I have at the moment so we'll go ahead and transition to--

COMMISSIONER OMMEN: I think Mr. Gibson covered--Mr. Gibson covered the process for public comments. Following your receipt of the information from Ms. Seip concerning the individual rate filings, again, we're looking for comments that relate to your circumstances with the particular carrier with whom

you're seeking insurance.

So with that, I'll turn it back over to Senior Health Policy Advisor Andria Seip.

MS. SEIP: Thank you, Commissioner.

So we are going through all of the carriers that do have rate increases, proposed rate increases alphabetically. So we will start with Avera Health Plans.

Avera has proposed a 14.4 percent average premium increase for its ACA block of business. Individual plan premium changes will range from 12.4 percent to an increase of 18 percent. There are approximately 393 renewing Iowa members who have coverage with Avera.

The filing for this, for Avera--excuse me. Avera submitted its filing on June 5th and it was immediately assigned to NovaRest Consulting, the independent actuarial firm. The entire rate filing was refiled to account for the changes required by the City of Columbus v. Kennedy lawsuit as I mentioned in my opening remarks.

Avera is new to the market in 2026 so they only have six months worth of reportable experience. For the period from January through June of '26 Avera had an average loss ratio of nearly 81 percent. This

is slightly worse than expected for such an early snapshot. During this time period loss ratios will be suppressed a little bit due to deductibles still being satisfied.

The loss ratio for this block is expected to increase around 10 percent throughout the year as those deductibles are satisfied. Without a rate increase in 2027, the Division projects that the loss ratio would rise to 95 percent. With the proposed 14.4 percent increase, the Division projects that the 2027 loss ratio will fall to just under 85 percent.

This proposed rate increase translates to an average monthly premium increase of $96, rising from $667 in 2026 to a projected $763 in 2027.

The Commissioner will consider public input, the internal team's analysis, and NovaRest's final report when reviewing this proposal.

I'll turn it over now to Mr. Gibson.

MR. GIBSON: Thank you, Andria.

So we did ask the public to produce comments for us during the period leading up to the hearing. So as the Consumer Advocate, I received two comments from policyholders as of August 18, 2026, and I will go ahead and read one of those.

"Hello. This is to inform you of my

displeasure with Avera Health Plan's proposed 14.8 percent price increase on my health insurance policy. I just switched to Avera Health Plans because I can't afford the higher-priced plans. Now they're becoming like all the rest. Please do not allow these health insurance companies to raise their cost more than the current rate of inflation which is currently at 3.5 percent.

"14.8 percent is ridiculous and I'm feeling gouged to the point I'll be leaving Avera Plans if you allow this to go through. Thank you."

That's from John Hoek out of Spencer, H-o-e-k.

And going--so the next--after we have the public comments--well, we have an opportunity to hear remarks from Avera Health Plans representatives. Are there any representatives from Avera on the call? I believe we have--

MS. CARLTON: Yes. This is Lisa Carlton from Avera Health Plans, VP of product development, and I have with us Chris Jessen, our finance officer, and Matt Mraz, our actuary, who can speak to the rate development.

Matt, I'll turn it over to you.

MR. MRAZ: Thanks, Lisa.

Good evening, everyone. My name's Matt Mraz. I am a senior consultant actuary with Milliman and I am here, as Lisa noted, representing Avera Health Plans as their signing actuary for their ACA product line, which includes the Iowa individual market. I really appreciate the opportunity to participate and testify today.

I just wanted to give some background on Avera's requested rate increase, which impacted approximately 400 members currently enrolled, of 14.4 percent, which would be effective January 1st of 2027. There are a few primary drivers of this increase that I wanted to touch on briefly today.

The first and largest driver are medical and prescription drug trends, both increasing medical and pharmacy trends utilization of services, as well as the average cost of those services has increased with particular pressure on specialty pharmacy costs in terms of the total cost of care. So these trends contribute about 6.7 percent to the overall rate change and do exceed the consumer price inflation index that was referenced during the comment.

Another big change is just the deterioration of Avera's base rate experience. Because Avera is new to the market in 2026, we do not have full

calendar year of experience available. We leverage what is referred to as a manual rating methodology and use Avera's South Dakota individual experience adjusted to an Iowa basis to support our projections.

The loss ratios underlying that experience have deteriorated relative to the experience we used in the initial filing for 2026. So that also contributes about a 4 percent increase to the overall.

And then one other item which I know is already touched on, I think Andria, the FDEC, some market-wide morbidity changes in particular tied to the expiration of enhanced premium tax credits at the end of 2025, which will continue to have an effect going into 2027. And so those changes also, in terms of the impact, the single-risk pool morbidity, contribute about a 4 percent increase.

So there are some additional smaller factors but I just wanted to touch on some of those primary drivers that are impacting various overall changes.

MR. GIBSON: Thank you, Matt.

I know--is there another Avera representative who wanted to share some comments?

MR. JESSEN: This is Chris Jessen. I don't have any specific comments, I'm just here to

support--

MR. GIBSON: We're having trouble hearing. I don't know if you had any more or if you could speak up just a bit. I'm sorry.

MR. JESSEN: Sorry about that.

MR. GIBSON: That's okay.

MR. JESSEN: Chris Jessen. I'm the chief financial officer of the health plan. I don't have any specific comments, I'm just attending to hear and support answering any questions if needed.

MR. GIBSON: Okay. Thank you.

COMMISSIONER OMMEN: Thank you, Mr. Jessen. This is Doug Ommen, the Commissioner. I'm very grateful you're here tonight. I don't think we have any questions for you tonight but thank you for participating.

MR. GIBSON: If there's no more remarks from Avera company representatives, I don't believe anyone here in attendance has a comment on the Avera plan, so I'll ask anybody--is there anybody online in the virtual meeting or on the phone that would like to make a comment regarding Avera Health Plans?

(No response.)

MR. GIBSON: I don't believe there are any commenters online for Avera so we'll proceed with

closing the portion for Avera. Again, the average premium increase is approximately $96 a month for Avera Health Plans, and any comments received have been posted by August 18th on our public website.

I'll hand it back over to Andria to talk about Iowa Total Care.

MS. SEIP: Thank you, Russ.

Iowa Total Care has a proposed increase of 16.6 percent for its ACA business. The individual plan premium changes will range from 8.99 percent to 21.89 percent. There are approximately 7,000 Iowa members with coverage through Iowa Total Care.

Iowa Total Care submitted its filing on June 8th and it was immediately assigned to NovaRest Consulting for the independent actuarial review. The rate filing was also refiled to account for changes in the Columbus v. Kennedy lawsuit.

Iowa Total Care has--excuse me. Iowa Total Care was new to the Iowa market in 2025 and has 17 months of reportable experience for this filing. For the period of '25--2025 through May of '26 the average loss ratio for this block has been 88 percent, which is slightly worse than expected.

Without a rate increase in 2027 the Division projects that the loss ratio will rise to nearly 90

percent. With the proposed 16.6 percent increase the Division projects the loss ratio will be just under 80 percent.

The proposed rate increase translates to an average monthly premium of a hundred-dollar increase which would rise from--premiums would rise from $605 in '26 to a projected $705 in 2027.

The Commissioner will consider public input, the internal team's analysis, as well as NovaRest's final report when reviewing this proposal.

MR. GIBSON: Thank you, Andria.

MS. SEIP: Please go ahead with the comments, Russ.

MR. GIBSON: So as the Consumer Advocate, I received one comment from interested policyholders as of August 18th and I will go ahead and read that comment. This comes from Elizabeth Bassel, B-a-s-s-e-l.

"I don't understand what they're saying about this premium. $1,100 a month. What is that? I live in Cedar Rapids, Iowa, and I'm with AmBetter Health"--which is the doing-business-as name for Iowa Total Care.

And with that I'll seek any--is there anybody online from Iowa Total Care or AmBetter, any

company representatives from Iowa Total Care?

(No response.)

MR. GIBSON: Seeing or hearing no representatives, I will move onto additional comments.

We have no one in attendance that wishes to comment on Iowa Total Care. And is there anybody on the virtual feed or on the phone that would like to make a comment regarding Iowa Total Care, also known as AmBetter?

(No response.)

MR. GIBSON: Okay. I'm hearing none, no indication that there is, and so we'll go ahead and close the section on Iowa Total Care. Again, the average premium increased approximately $100 a month for Iowa Total Care and all comments received by August 18th have been included in this public testimony.

I'll turn it back over again to Andria Seip to introduce us to Oscar.

MS. SEIP: Thank you, Russ.

Oscar Insurance Company has a proposed increase of 7.9 percent. The original proposal is nearly 12 percent. However, the Division and NovaRest were able to secure a 4 percent decrease

bringing the average down to 7.9 percent.

Individual plan premiums will range from an increase of 0.9 percent, or nine-tenths of one percent, to an increase of 23.69 percent. Approximately 12,000--approximately 12,000 Iowans are covered through Oscar.

This filing was submitted on June 8th and was immediately assigned to NovaRest for its independent actuarial review. The entire rate filing was refiled to account for the changes required by the Columbus v. Kennedy lawsuit.

Oscar has been in Iowa's individual ACA market since 2021. Over the past 18 months the average loss ratio has just been under--excuse me--has been under 75 percent. Without a rate increase, the Division projects the loss ratio would rise to over 83 percent.

With the proposed 7.9 percent increase, the Division projects that the loss ratio will be just under 80 percent.

The proposed increase translates to an average monthly premium increase of $43, rising from $539 in 2026 to a projected 8--excuse me--$582 in 2027.

The Commissioner will consider public input,

the internal team's analysis, and NovaRest's final report when reviewing this proposal.

Russ, I'll turn it back over to you.

MR. GIBSON: Thank you, Andria.

During the comment period, as Consumer Advocate I received three comments from policyholders as of August 18th, 2026, and I will go ahead and read one of those comments. This is from Heidi Mendez, M-e-n-d-e-z.

"I received a letter that indicated that Oscar Insurance is proposing an increase to rates. I'm not able to attend the public hearing. However, I want to say I think allowing Oscar to increase their rates is ridiculous. I don't even really consider it insurance as my experience is that they do not pay for mammograms, biopsies that end up being benign, etcetera. If they covered women's health issues at the same rate as they cover men's health issues, then I might think different. However, I believe their insurance can use improvements in how and why they decide to cover things, especially preventive care options.

"Thank you for asking for feedback. If you have any additional questions, please don't hesitate to reach out."

With that I'd like to check in on our virtual feed and on the phone. Do we have any representatives from Oscar online? I believe there's at least one. It looks like Carter Knight, if we could let--unmute him. Thank you.

MR. KNIGHT: Hello. My name is Carter Knight. I'm an actuary for Oscar and I filed this year's premium rates.

As to that consumer comment, I recommend they file a complaint and we will address it through the normal channels.

And with that, I have no further comment.

MR. GIBSON: Thank you, Mr. Knight. And we can certainly follow up with that consumer on a consumer complaint side and reach out to her and see what else--what other options she might have, certainly, under her plan.

Okay. Are there any participants online that would like to make a comment regarding Oscar Insurance? If you could raise your hand please.

(No response.)

MR. GIBSON: I'm seeing none and so with that I will go ahead and close the comment period for Oscar. Again, the average premium increase being approximately $43 a month. All comments received,

again, have been posted on our public website.

Andria, I'll turn it back over to you to introduce us to UnitedHealthcare Plan of the River Valley.

MS. SEIP: Thank you, Russ.

UnitedHealthcare Plan of the River Valley has proposed a 10.35 average premium increase. Individual plan premium changes range from 8.79 percent to 11.87 percent. There are approximately 550 Iowans who have coverage with UnitedHealthcare Plan of the River Valley.

This filing was submitted on June 8 and was assigned on the same day to NovaRest Consulting for the independent actuarial review. The entire rate filing was also refiled to account for the changes required by the City of Columbus v. Kennedy lawsuit.

UnitedHealthcare Plan of the River Valley was new to the Iowa market in 2025 and has 18 months of reportable experience for this filing. For the period of 2025 through June of '26, the average loss ratio was nearly 85 percent, which is slightly worse than expected.

During the 2026 reporting period, the loss ratios will be suppressed due to deductibles being satisfied by policyholders. The loss ratios are

expected to increase around 10 percent throughout the year as the deductibles are satisfied.

Without a rate increase in 2027, the Division projects that the loss ratio will be approximately 90 percent. With the proposed rate increase the Division projects that this loss ratio would fall to approximately 81 percent.

The proposed increases translate to an average monthly premium increase of $74, rising from $716 in 2026 to a projected $790 in 2027.

As with the other rate filings, the Commissioner will consider all public input, the internal team's analysis, and NovaRest's final report when reviewing this proposal.

Thank you and I'll turn it back to you, Russ.

MR. GIBSON: Thank you, Andria.

For UnitedHealthcare Plan of the River Valley, I actually received no comments from any policyholders during the comment period as of August 18th. So with that, I will check in online.

Are there any representatives from the company, UnitedHealthcare Plan of the River Valley, online?

(No response.)

MR. GIBSON: Okay. I'm seeing none. I'll also ask if there are any members of the public who want to make comments on UnitedHealthcare Plan of the River Valley. Please raise your hand on the screen.

(No response.)

MR. GIBSON: Okay. I'm seeing none there. And so with that, I will close the comment period for--and we didn't have anyone in person, either, I'm sorry.

With that I'll close the comment period for UnitedHealthcare Plan of the River Valley. Again, average premium being $74 a month, and any comments received would have been posted online on our public website.

Okay. I'll turn it back over to you, Andria, to introduce us to Wellmark Health Plan of Iowa.

MS. SEIP: Thank you, Russ.

Wellmark Health Plan of Iowa has a proposed 4.4 percent average premium increase for its ACA block of business. Individual plan premium changes will range from a decrease of 2.6 percent to an increase of 10.78 percent.

There are approximately 80,000 Iowans who have coverage through Wellmark Health Plan of Iowa

with nearly 35,000 members receiving increases that exceed the State's public hearing threshold of 5.6 percent.

This filing was submitted on June 8 and was assigned on the same day to NovaRest Consulting for the independent actuarial review. The entire rate filing was also refiled to account for the changes in the Columbus v. Kennedy lawsuit.

Wellmark Health Plan of Iowa rejoined Iowa's ACA market in 2019. Over the past 40 months the average loss ratio has been just over 84 percent. Without a rate increase, the Division projects that the loss ratio would rise to just over 95 percent and with the proposed rate increase of 4.4 percent, the Division projects that the loss ratio will be just under 90 percent.

The proposed rate increase translates to an average monthly premium increase of $27, rising from $613 in '26 to a projected $640 in 2027.

The Commissioner will consider public input, the internal team's analysis, and NovaRest's final report when reviewing this proposal.

Thank you and I'll turn it back to the Consumer Advocate.

MR. GIBSON: Thank you, Andria.

So during the comment period leading up to the hearing, as the Consumer Advocate I received 104 comments from policyholders as of August 18, 2026. I'd like to just highlight a few of the top reasons for those comments and share a couple of comments with everyone tonight.

Some of the top reasons, one of the--about 63 commenters cited severe financial strain and unaffordability as a reason for opposing the rate increase. Approximately 32 commenters cited the impact of high deductibles and out-of-pocket burden when commenting. Around 16 commenters cited decreasing plan value and shifting coverage rules when they were commenting to the Division on this rate increase. And about 15 comments came in regarding foregoing-- having to forgo or delay or cancel medical care as a result of increased premiums.

As an example, I'll read a comment from Lisa Kruse, K-r-u-s-e, from Waterloo. Part of her comment reads thus: "I am currently walking on broken bones in my feet because I can't afford an MRI. My doctor is begging me to get it done but I live and work in pain."

Additional commenters, also about eight

folks mentioned the subsidies or tax credit situation and I'll read one of those comments. And this is Christina Ehlers, E-h-l-e-r-s, from Des Moines. She mentions that because she doesn't qualify for the subsidies anymore, her monthly payment tripled after recent rate shifts forcing her to discontinue therapy and avoid doctor visits. She wrote, "I would hate for anyone else to be in this situation if they had a condition that needed regular clinic visits, tests, and prescriptions. What a nightmare this is."

COMMISSIONER OMMEN: Mr. Gibson--

MR. GIBSON: Yes?

COMMISSIONER OMMEN: --as I consider and review these comments, in this procedure is there any exchange of communication with them? And the reason I ask that is as I look through some of these comments, I know what you provided is a summary--

MR. GIBSON: Uh-huh.

COMMISSIONER OMMEN: --and I compare it to what Ms. Seip described in terms of the subsidy structure. I can't tell from these comments whether these are individuals that are subsidy eligible or not. I mean, do you get additional information in communicating with them?

MR. GIBSON: Most of the comments came

through our web form, which isn't as interactive. We do get their contact information if they provide that, but it's usually the information as they provided it and left at that. There have been some back and forth with a few consumers who asked maybe a direct question or could have been handled as a complaint in addition to a comment.

COMMISSIONER OMMEN: Well, in addition to this information, I think I would ask you to reconsider the form and see whether or not you can include additional requests for them to identify their eligibility for subsidy. Certainly I'm not suggesting that you seek out, you know, their--any confidential-related income information, but I just think it would be useful in trying to better understand the context given the fact that the data does show that the vast majority of individuals that are in this market are receiving subsidies.

There are some, as noted by Ms. Seip, that have been--now are not eligible based upon the changes to the subsidy structure, but that would be useful.

MR. GIBSON: Okay. Thank you. That's helpful.

I'm checking online now. Are there any

representatives from Wellmark Health Plan of Iowa on the virtual meeting?

(No response.)

MR. GIBSON: Okay. Seeing none, I'd ask for any comments for those in attendance and I know it was listed on here Brian Cain. Mr. Cain--and this is regarding a Wellmark Health Plan of Iowa--is that an ACA plan that you have, sir?

MR. CAIN: Yup.

MR. GIBSON: Okay. So if you would like to go ahead and state your name.

MR. CAIN: Are you guys insurance companies?

MS. SEIP: They're IT.

MR. CAIN: Do we only have one insurance company here, Avera?

MR. GIBSON: We had Avera and Oscar.

MR. CAIN: Oscar?

MR. GIBSON: Yes.

MR. CAIN: We don't have any Wellmark people here?

MR. GIBSON: No one from Wellmark is in attendance tonight.

MR. CAIN: I wanted to ask a general question. Quality improvement activities, the MLR--I have to ask a question before I say something. It

said 80 percent MLR, medical loss ratio. It says quality improvement activities. Does anybody know what that--I wanted to know what that meant before I make a comment.

MS. SEIP: Sure. And that could be things that--where a health insurance company might be working with a provider network to make sure that consumers--that there might be some follow up with the consumer after a procedure is done to make sure if the consumer needs to come back in and check--needs medication, the insurance company might actually have their customer service people reach out to a consumer to make sure that they're getting their medication filled.

So, again, like more care after a service to make sure the consumer is doing well and following up with any prescribed--prescription or follow-up procedures that might be needed.

There's a variety of quality improvement activities that are reviewed as part of our filing process, but really to make sure that--but those quality improvement activities are designed to help the consumers in the benefits that they receive. So to make sure that they're clear to them, make sure that they're getting the services in the right time

and right place.

Does that help?

MR. CAIN: Yes, that answers part of my question. Last year when we were here we had a question, and that was in your medical bill, this portion is hospital, this portion is emergency, this is testing procedures, this over here is doctor visits, this over here is pharmacy. And the insurance companies were sitting here and they had kind of a block laid out about what each portion of the thing cost. Someone was mentioning like the pharmaceuticals were up to, like, 230-some percent. Do we have that broken out for these insurance companies or Wellmark in particular?

What portion of the bill is the bill and what is the biggest chunk of the bill?

MS. SEIP: I don't have that information to share today but I can tell you that typically between prescription drugs and hospitalization, that those two services are--and not just with Wellmark, but across most insurance companies--that those are typically the top categories of spend for the benefits that consumers receive.

MR. CAIN: Okay. Well, then I can finally make my comment. We've had Medica, but Medica left.

Then we had to switch over to Wellmark. That was because the deductible got so high out-of-pocket. Nobody keeps $6,000 in their back pocket. Pretty much we've been watching this for the last few years, watching these rates of insurance go up and up and up and nothing is sustainable. It doesn't matter if you're on a work plan or an ACA plan or some government plan, they're all becoming the same thing, so expensive you can't get care. They cut down on their drugs, they don't do their tests, they don't do a follow-up visit on the doctor.

The only thing that Wellmark has over the other group is they've got a big enough pool of people. The other ones are just too small to be able to do things. So Wellmark is doing a lot better than the other ones, I will say that, but even their numbers will not be sustainable.

I mean, if you do 5 percent every year for every couple years, instead of two people on the insurance now, in six years you're going to have one person on the insurance. The numbers aren't sustainable for anything. So the insurance companies might want to come up with a new plan for the following years.

But, yes, they are doing a lot better than the

other ones, I can tell you that much. Wellmark at least covers almost everything that we've done procedure-wise. They go through their preauthorizations, they try to keep track of your costs, don't be spending too much, they try to help you. They're doing a lot better because they've got more people so they've got cheaper drugs compared to some of the other ones. You need more people in the group. The 500 people are not going to sustain, the 593. They're just too small a group of people to sustain.

Anyway, I just wanted to say Wellmark is doing better because they've got a bigger pool but I don't think the other ones are going to survive.

Okay. That was the only comment.

MS. SEIP: Thank you.

COMMISSIONER OMMEN: Thank you for your comment.

MR. CAIN: If you say no to the rate increase, I'd be happy, but you're going to have to say yes to them. I mean, all the bills are coming in, all the tariffs are coming in. They can't get around the bills. You're kind of on the hook.

COMMISSIONER OMMEN: Thank you.

MR. GIBSON: Thank you.

MR. CAIN: Okay.

MR. GIBSON: I will turn now to our virtual

participants. I'll ask first if there's anyone on the phone, just the telephone, not the Teams meeting itself, but is there anyone on the phone? I think there's one person here that might have called in. Is there anyone just on the phone who would like to make a comment?

(No response.)

MS. SEIP: Did you tell them to press star 5?

MR. GIBSON: I'm sorry?

MS. SEIP: Press star 5.

MR. GIBSON: Press star 5 to unmute--or to raise your hand. Star 6 would unmute your phone.

(No response.)

MR. GIBSON: I don't think there's anyone there but you can double-check, guys.

I will ask now if you could raise your hand on the Teams meeting if you'd like to make a comment on Wellmark Health Insurance--Wellmark Health Plan of Iowa. Again, for the ACA policies for Wellmark Health Plan, if you could raise your hand and then we'll go through comments from individuals that would like to comment on Wellmark Health Plan of Iowa. So if you're on the virtual feed, please hit the raise hand button so we can call on you.

Do we see anything coming through?

(No response.)

MR. GIBSON: Again, I'll just reiterate if you'd like to make a comment on Wellmark Health Plan of Iowa, the ACA policies, please raise your hand, hit the raise hand button, or you can indicate your desire to do so in the chat feature.

(No response.)

MR. GIBSON: I'm hearing none, so we will move forward, then.

Again, as a reminder, any public comments received and that continue to be received, I should add as well, will be posted--have been posted on our website and will be posted on our website available for the public.

The final company here we have is Wellmark, Inc., which is the pre-ACA block of business, and I'll turn it back to Andria to present some remarks regarding the rate premium process.

MS. SEIP: Thank you, Russ.

Wellmark, Inc.'s, pre-ACA filing, they have proposed an average increase of 8.5 percent. Individual premium changes will range from 6.8 percent to 10.5 percent. There are approximately 17,700 Iowans who have coverage with Wellmark's

pre-ACA plans.

This filing was submitted on June 8th and assigned on the same day to Lewis & Ellis for independent actuarial review. Because this is a pre-ACA plan, it was not impacted by the Columbus v. Kennedy lawsuit.

Over the past seven years this plan has had an average loss ratio of nearly 83 percent. Without a rate increase in 2027, the Division projects the loss ratio will rise to nearly 99 percent. And with the proposed 8.5 percent increase, the Division projects that the loss ratio will be approximately 91 percent.

The proposed increase translates to an average monthly premium increase of $59, rising from $697 in 2026 to a projected $756 in 2027.

As with all of the filings, the Commissioner will consider public input, the internal team's analysis, and Lewis & Ellis's final report when reviewing this proposal.

And I'll hand it back to you, to the Consumer Advocate, for input from the consumers.

MR. GIBSON: Thank you, Andria.

As the Consumer Advocate I received a total of 18 comments from policyholders as of August 18th,

2026, during the comment period. I will read one of those but there were a few general trends. We did receive a number of comments from farmers and small business owners or self-employed individuals expressing concerns. We received some comments from folks who were frustrated by paying a lot for what they considered to be minimal coverage and/or high-deductible plans which they felt they could rarely use, and we also received a number of comments from people on fixed incomes, individuals with disabilities who were considering dropping their coverage.

For example, I'll read the comment from Steve Cronin, C-r-o-n-i-n. He wrote that he has a medical condition "which causes physical limitations and limited mobility." He continues: "I've been on disability many years now due to not being able to find adequate employment with adequate pay. When I was placed on disability, it was cheaper to keep my individual Wellmark policy in place as supplemental insurance cost was higher than my Wellmark policy. I'm currently paying $769.85 per month for a premium. If this proposed increase is allowed to be put in place by Wellmark, my monthly premium will increase to around $850.68. I will most likely become

uninsured due to lack of affordability."

And I just want to check, is there anybody in the virtual meeting from Wellmark, Inc.?

(No response.)

MR. GIBSON: There's nobody in attendance that had a comment regarding Wellmark, Inc., so I will ask for those on--either on the phone, if you could unmute yourself, if there's anybody on the phone who would like to make a comment--any comments to hit star 6, otherwise we'll ask anybody online to raise their hand so we can call on you to make a comment regarding Wellmark, Inc.

And it looks like we'll start with Steve Steffen, S-t-e-f-f-e-n. If we could unmute him and Steve can make a comment.

MR. BUTENHOFF: You can ask Steve to unmute himself.

MR. GIBSON: Oh, I'm sorry.

Steve, you can unmute yourself, if you could.

MR. STEFFEN: Can you hear me?

MR. GIBSON: Yes, sir. Thank you.

MR. STEFFEN: Hello?

MR. GIBSON: Hello? Can you hear us?

MR. STEFFEN: Yeah, I hear you.

MR. GIBSON: Yeah, you can go ahead.

MR. STEFFEN: Yes. I've had my Wellmark pre-ACA plan since 2009. When I initiated this policy, my monthly premium was $139 a month with a $2,700 deductible. And with this new rate increase, 17 years later, it's going to be 755--$757 which translates to a 456 percent increase.

I guess--I understand the actuary's looking at numbers and all that, but why--why are the costs--is there anybody looking at costs? I mean, is anybody auditing costs from the providers to justify this 450 percent increase over that time frame?

We're looking at an average, you know, 4, maybe 5 percent inflation rate. That's where all these numbers are coming from, they're coming from the costs from the providers and the pharmaceutical companies, but nobody seems to be monitoring or auditing costs because that's where these rate increases are coming from.

Nobody mentions costs and it's just run-away costs. So can somebody give me some type of response as to why these costs are so high to justify these rates because right now--and that's--with my new rate, I had to double my deductible to get there so my out-of-pocket costs between my premium and my

deductible is over $13,000 a year if I were to use it. Thankfully I'm healthy and I don't have to use it.

But I don't know if anybody can sustain these costs as a consumer. And you hear from the other ones that are dropping their policies and going without coverage and walking around with broken bones because they can't afford to go to the doctor and nobody seems--oblivious to it. It's just very, very frustrating.

And I understand the need to keep the insurance solvent, we need to have a solvent insurance industry, but at the same time we can't let the consumers go bankrupt either, but that's what you're allowing to do here because nobody's managing costs.

COMMISSIONER OMMEN: Steve, this is Insurance Commissioner Doug Ommen. I very much appreciate your comment. It's a comment that gets repeated every year, certainly every year since the time that I joined the Department in 2013.

The issues that you raise about cost containment, they're designed to be in the system of cost management traditionally by the insurance company themselves. That is they--in terms of

provider services, in terms of hospital's and doctor's expenses, that the attempt to try to manage that is through provider agreements and reimbursement rates, they have strategies with regards to utilization.

But one of the biggest drivers we've seen in recent years is the increase in costs associated with pharmaceuticals and prescriptions. You know, some of that is related to, you know, the new drugs that have come into the market, new treatments that are available. But also if you just look at the pharmacy benefit manager structures that are associated with--now with insurers, it does appear that there's a significant amount of expense associated with that that is not holding down the cost of access to those prescriptions.

Our legislature has really made some significant attempts to give us within our Division the opportunity to evaluate those practices, but it continues to be a real significant issue.

With that, I'm going to give Ms. Seip the opportunity to add to that answer and I'll be frank with you. I don't think I can give you a satisfactory answer. The other types of cost containment that occurs in both the Medicare system

and the Medicaid system have been somewhat also challenged.

But, anyway, Ms. Seip, if you could add to that response.

MS. SEIP: Yeah, I would just say thank you, Steve, for your comment and I also don't have a satisfactory answer.

But I think this is an issue. This is not just an Iowa issue, this is a national issue. You know, all states, as we work closely with other state regulators, are struggling with how to address healthcare costs and I know that this is something that through the Affordable Care Act was designed to help address this.

You know, I wish I had a better answer, but you're right, the healthcare cost rising and insurance companies working with providers to try to keep rates down, it's--it's not working. Here we are again every year seeing these pretty substantial rate increases and I just don't think there's a good answer for you. I wish I had a better solution.

MR. STEFFEN: Well, as far as I'm concerned, the answer is this whole system is broken politically, so it needs to get fixed politically. The ACA system is what broke the system. So as far as the consumers

out there, they need to lobby to the politicians to do something about the ACA system because that is what broke the system.

And as far as the pharmaceutical companies, I don't believe they're helping the matter because they're not making people better. We live in a very unhealthy country and they're not getting better, they're getting worse. So these drugs they're coming up with are not making people healthy, they're making them more sick, which is adding to the costs.

So there's multiple issues here that are compounding the problem but as far as a consumer, like I said, in 2009 this policy was costing me $139 a month with a $2,700 deductible, which is very affordable. And ever since then--now it's up to, like I said, $750, a 450 percent--a 540 percent increase over 17 years versus a 4 to 5 percent inflation rate, and it started with the ACA Act in 2010.

So that is what broke the system. It was broken politically, so it needs to get fixed politically.

I appreciate that you don't have a good answer but to me that is the answer. We need to get the politicians and we need to get the ACA system

fixed.

COMMISSIONER OMMEN: Steve, I'll just--again, I appreciate your comment tonight. I've been around long enough to suggest to you that as a Department, we've made some suggestions to the politicians over the years about some of the--what I would describe as the structural flaws within the Affordable Care Act.

I think it can be fixed, I've always thought it could be fixed. I mean, it can't be made perfect because of the fact that healthcare is expensive.

But even my suggestions as to how to fix it are not addressing the underlying concern that you had, which is not related to the ACA, and that is the cost-containment structures that we have in place, especially with regards to pharmaceutical costs, is not addressed.

And I think--I would just offer to you I think some of those fixes may be political, but I think there are also changes that ought to be occurring in the market to help make, you know, those prices more responsive to market demand. I mean, you just look at how we purchase pharmaceuticals. You know, consumers have very little influence on price, so your price decision is not influencing the market

at all. And, you know, what you would expect in that is just ever-increasing prices because there's no--there's very little consumer-driven choices being applied.

But we could probably spend well into the night tonight trying to give you a satisfactory answer but probably this rate hearing is not going to address your concerns, but thank you very much for commenting.

MR. STEFFEN: Yeah, I don't anticipate it will, but like I said, I thought I needed to put what I felt was out there and, like I said, part of the problem here is the pharmaceutical industry. They're sort of running the medical industry, so to speak, and they're over-medicating people and making them more sick and that's contributing to the problem.

So, yeah, like I said, to me it's a political issue and it needs to get fixed through the ACA, it needs to get through the politicians, and it can't be done through, you know, the Insurance Commission Board that you people are a part of.

COMMISSIONER OMMEN: Thank you for your comment. I appreciate you participating today.

MS. SEIP: Yes, thank you.

MR. GIBSON: Yeah, thank you.

Is there anyone else that would like to make a comment regarding Wellmark, Inc.? If you could raise your hand on the virtual meeting, please.

(No response.)

MR. GIBSON: I'm not seeing any.

I guess I'll open it up, is there anybody that we've missed through the various companies that hasn't commented that would like to make a comment now?

(No response)

MR. GIBSON: I'm not seeing any so I will close the comment period for right now for the Wellmark, Inc., block of business.

I would like to remind--as we wrap up here, I would like to remind participants if you still would like to make a comment, we will have our website available to submit comments at least for--at least through the next business day, through the end of Friday, August 21st. So any received after this meeting will be posted on our website. The comments again are on our public website for viewing.

I would encourage consumers to work with a licensed insurance agent for their particular insurance needs, that an agent would be able to review options with you as a consumer.

Are there any other comments or remarks from Andria or from Commissioner Ommen?

MS. SEIP: Not from me tonight but thank you.

COMMISSIONER OMMEN: Russ, I would just comment that, again, you provided to me what appears to be a summary of the comments that were received, as well as excerpts from the--those comments. I just want to make note in the record that those are being received by me even though you may have not elected to summarize them. So those will be received and reviewed by me as part of my decision making with regards to rates.

I just want to again thank those of you who did appear in person. I greatly appreciate the interest. You know, it's very clear from the hearing again tonight, the health insurance market, especially the individual health insurance market, remains of great concern for me and for those in the Division. But thank you for participating with that.

So, again, thank you and with that the meeting is adjourned and we'll go off the record.

MR. GIBSON: Thank you, everybody.

(Proceedings concluded at 6:15 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 31st day of August, 2026.

Theresa Kenkel

CERTIFIED SHORTHAND REPORTER

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