August 8, 2017

Doug Ommen, Commissioner
Iowa Insurance Division
Attn: Public Comments
601 Locust Street 4th Floor
Des Moines, Iowa 50309

RE: Iowa Stopgap Measure

Dear Commissioner Ommen:

On behalf of the nearly 6,000 physician, resident, and medical student members of the Iowa Medical Society (IMS), thank you for the opportunity to provide comment on the proposed Iowa Stopgap Measure (ISM) to stabilize our state’s individual health insurance market. The core purpose of the Iowa Medical Society is to assure the highest quality health care in Iowa through our role as physician and patient advocate. It is through this lens that we review the proposed ISM and offer feedback.

A Market In Crisis

Iowa’s individual health insurance market is on the verge of collapse. Physicians are witnessing this collapse from the front lines, providing care every day to the more than 72,000 Iowa patients who currently have coverage through a Marketplace individual plan. IMS member physicians report numerous patient inquiries about the future of their coverage and significant anxiety as these patients grapple with the uncertainty of 2018 and beyond. While the Affordable Care Act (ACA) is far from perfect, the statute has achieved at least one of its goals in that it has allowed these low-income Iowans to obtain coverage, often for the first time. This has resulted in individuals with long-unchecked medical conditions establishing a relationship with a local physician and beginning to take charge of their medical care. The collapse of our state’s individual health insurance market threatens to undo this progress.

IMS applauds the work of the Iowa Insurance Division (IID) in developing an innovative solution to help avert the crisis facing our individual market. We appreciate the collaborative manner in which the Division has approached development of this proposal, including meeting with the IMS Board of Directors last month to discuss components of the ISM. Our Board, comprised of a diversity of medical specialties and practice arrangements, expressed strong support for the ISM. Iowa physicians and their patients face great uncertainty as they await a
final determination for the future of coverage for those currently covered by an ACA-compliant individual plan. The ISM represents a short-term solution to inject a measure of predictability during a very turbulent time in the American healthcare system.

The last-minute Medica rate filings for 2018 mean that these 72,000 Iowa patients could continue to have a single coverage option via the Marketplace next year. However, Medica’s proposed average 43% premium increase would place coverage out of reach for many of these individuals and thus IMS views this as an unacceptable option for our state. As noted in the IID’s July 13, 2017, ISM narrative, Medica premiums in 2017 are already more expensive than those of the alternative Marketplace carrier, which has chosen to exit the Iowa market. As such, many patients are likely to see premium increases well beyond the 43% average rate increase outlined in the 2018 rate filings.

**Maintaining Patient Choice and Vital Protections**

We recognize that the ISM represents a short-term solution to the much larger problems facing Iowa’s individual health insurance market. IID’s request for one-year waiver authority, with the option of a one-year extension, is still a critical step in maintaining patient choice in 2018, while state and federal officials work to craft a comprehensive solution. IMS is pleased to see that the proposed ISM includes a number of provisions to keep in place vital protections while work on the long-term solution continues. Development of a silver tier-equivalent plan that offers all Essential Health Benefits (EHBs) will ensure that patients continue to have coverage for necessary medical care, including mental health and substance use disorder treatment.

IMS commends the State on maintaining a focus on local access to coverage and care under the proposed ISM. By making ISM plans available through individual carriers via their network of local agents, the IID is ensuring that affected patients are able to access coverage via a trusted individual in their own community. We are encouraged to hear that at least two current Iowa insurers have expressed an interest in offering ISM plans in 2018. Both have well-established provider networks already in place, which will allow them to more quickly stand up this new line of coverage. Utilization of their existing provider networks will also ease the administrative burden on physician practices that simply want to continue providing high-quality care to the patients currently with coverage via a Marketplace plan.

We recognize that the pressing timeline of the impending market collapse necessitates the state to move forward with its waiver application while some details of the new program are still under development. IMS urges the Division to continue to collaborate with stakeholders as it develops the specific components of the ISM plans, including minimum covered benefits and prescription drug formularies. Iowa physicians are well versed in the needs of their patients and able to provide valuable insight into these components of the new plans.

**Ensuring Affordable Coverage Options**

As we have noted, a chief concern of IMS is the affordability of coverage available to the patients currently covered by a Marketplace plan. We know that
simply having an insurance option is not sufficient if its cost precludes patients from purchasing coverage and foregoing necessary medical care. Unsustainably-expensive plans would result in a return to the days when patients would wait to seek treatment until their condition had devolved to the point of necessitating a visit to the Emergency Department. Lacking health coverage, this results in uncompensated care, which drives up costs for both the individual facility and the overall healthcare system.

The IID proposal will help avoid wide-scale losses in individual coverage. Some have criticized the ISM for proposing to divert a portion of the Advance Premium Tax Credits (APTCs) and Cost Sharing Reduction (CSR) subsidies, which currently help reduce the costs of individual coverage obtained via the Marketplace. IMS strongly supports the proposal to utilize a portion of these federal funds to create a reinsurance program to offset the costs of care for the handful of high-utilizers that have proven difficult to sustainably cover via an individual plan.

The cost of high-need patients was a leading factor behind the ultimate liquidation of CoOportunity Health, as well as the decisions by UnitedHealthcare, Wellmark, Aetna, and Gunderson Health Plan to exit the Iowa Health Insurance Marketplace. Following federal approval of Alaska’s 1332 waiver to establish a reinsurance program similar to that which is proposed in the ISM, officials in that state have announced an expected 21.6% reduction in individual premiums next year. Were Iowa to experience a similar reduction in premiums as a result of the ISM reinsurance program, this would help offset the reduced individual premium assistance resulting from the diversion of a portion of APTCs and CSRs.

The proposed Iowa Stopgap Measure represents an opportunity to stabilize our state’s individual insurance market in the short-term, and to test policy measures that hold the potential to serve as a component of the long-term solution to market sustainability. The Iowa Medical Society commends Commissioner Ommen and the staff of the Iowa Insurance Division for your commitment to developing an avenue to ensure more than 72,000 Iowa patients continue to have access to affordable coverage and local care in 2018 and beyond.

Thank you again for this opportunity to provide comment.

Sincerely,

Joyce Vista-Wayne, MD, DFAPA
President