

BEFORE THE IOWA INSURANCE DIVISION

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 IN RE: : Public Hearing  
 :  
 WELLMARK 2012 RATE INCREASE :  
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 - - - - - X

Urbandale Public Library  
 3520 86th Street  
 Urbandale, Iowa 50322  
 Saturday, December 10, 2011

Met, pursuant to notice, at 11:00 a.m.

BEFORE: SUSAN E. VOSS, Insurance Commissioner  
 JAMES R. MUMFORD, First Deputy Commissioner

Also Present: ANGEL ROBINSON, ESQ.  
 Consumer Advocate  
 Iowa Insurance Division  
 330 Maple Street  
 Des Moines, IA 50319

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1                   P R O C E E D I N G S

2                   FIRST DEPUTY MUMFORD: Welcome, everybody.  
3 It's 11 o'clock so let's start this public hearing.

4                   Can everybody hear me in the back all right?

5                   I want those people in the back to be able  
6 to see me.

7                   I'm the First Deputy Insurance Commissioner.  
8 I will conduct this hearing until Commissioner Voss  
9 gets here. Commissioner Voss is at a funeral. She  
10 will be here just as soon as that funeral is over,  
11 but we need to start the hearing.

12                   We have 12 separate sites that are online,  
13 and I see people at the sites--actually just 12, and  
14 I see some people at some of the sites.

15                   This is the public hearing on the Wellmark  
16 proposed increase of 9.35 percent on individual  
17 policies that would be effective April 1, 2012.

18                   This public hearing is required by Iowa law  
19 that will provide the Insurance Division and  
20 Commissioner Voss on the information on whether or  
21 not to grant the rate increase to Wellmark.

22                   We'd like to set some rules. I think the  
23 speakers need to be signed in. Right, Angel?

24                   MS. ROBINSON: Yes, Sir.

25                   FIRST DEPUTY MUMFORD: Okay. The library

1 has asked that the entrance doors not be blocked  
2 because of safety reasons.

3           The hearing is being transcribed, so if  
4 you're speaking, you have to make sure that the  
5 reporter gets your name and gets it spelled  
6 correctly, and I've given her permission to interrupt  
7 and ask for clarification if needed.

8           The attendees at this meeting will be asked  
9 if they want to speak, to speak at the designated  
10 microphone, which is right up here in the front row.  
11 Just come up and speak. Raise your hand if you want  
12 to speak and we'll recognize you.

13           All the microphones in all the locations--  
14 the site locations are live. For those people that  
15 want to speak at the site locations, they need to  
16 turn on the microphone in order to speak, but we  
17 can--we have video of all the sites.

18           The public hearing is open for all comments  
19 from interested parties, but we'd like to have the  
20 persons that are going to be affected by the rate  
21 increase, in other words, the individual policyholders of  
22 Wellmark, to speak first. We'll hear those people at  
23 this site first, and then we'll go to the various  
24 sites to see if there's interested parties at those--  
25 interested parties that are participants in the

1 Wellmark plans at those sites wish to speak.

2 After we go through that, we then will have  
3 any other interested parties that wish to speak about  
4 the rate increase.

5 I hope everybody understands the rules.

6 Yes, Ma'am.

7 MS. VANKO: Debra Vanko. Is Blue Cross Blue  
8 Shield here?

9 MS. ROBINSON: Excuse me. You need to  
10 speak-- Everyone needs to speak at a mike otherwise  
11 our remote sites will not be able to hear you. So if  
12 you have a comment, I would ask that you come and  
13 speak from this seat, and I'd be more than happy to  
14 vacate it so you can ask your question.

15 MS. VANKO: Is Blue Cross Blue Shield here  
16 today?

17 FIRST DEPUTY MUMFORD: Yes, they are, and  
18 they will speak at the --

19 MS. VANKO: They will.

20 FIRST DEPUTY MUMFORD: -- at the end of the  
21 program. Yes.

22 Our first presentation will be by Angel  
23 Robinson, the Consumer Advocate.

24 Angel.

25 MS. ROBINSON: Thank you, First Deputy

1 Mumford. And thank you for the opportunity to share  
2 the public comments and testimony that I have  
3 received over this proposed rate increase.

4 My name is Angel Robinson. I am the  
5 Consumer Advocate for insurance for the State of  
6 Iowa, and under Iowa law, section 505.19, whenever a  
7 rate increase is requested that is above the annual  
8 average health spending growth rate, which is  
9 published by the centers of Medicaid and Medicare  
10 services, that increase must be subject to personal  
11 notice to all affected policyholders as well as a  
12 hearing.

13 This is the hearing for that notice because  
14 as of October 2011 I received notice from Wellmark  
15 that they were going to be requesting a rate increase  
16 of 9.35 percent. That rate increase was over at the  
17 time the average annual health spending growth rate  
18 of 6.1 percent.

19 I would note that at this time CMS has  
20 updated that and has published a new annual average  
21 health spending growth rate of 5.8, but at the time  
22 it was 6.1, and this rate increase exceeded that.

23 Therefore, all of the policyholders and all  
24 my consumers who are affected by this rate increase--  
25 proposed rated increase did receive notice.

1           Also under Iowa law, all consumers are given  
2 the right to contact me and to share their comments  
3 and concerns or their feelings in regards to the rate  
4 increase.

5           Since that time I have received over 300  
6 comments from consumers. I have received those  
7 comments by all modes and forms, both by e-mail,  
8 mail, both by phone call, and consumers were given  
9 the opportunity to directly post their comments on a  
10 public Web site.

11           Those comments upon review have revealed a  
12 number of trends that I would like to share with you  
13 today.

14           If I can have my screen.

15           There are about four trends that I will be  
16 addressing today that have appeared in the comments.  
17 Those include that of affordability concerns, rate  
18 increase weariness, concerns and issues over  
19 Wellmark's increase causes or reasons and their  
20 discretionary spending, and some miscellaneous trends  
21 that were observed.

22           The first trend of affordability came from  
23 consumers who are often on fixed incomes. This was  
24 often caused by consumers who were either on  
25 unemployment, disability, Social Security, or

1 retired.

2 I also received affordability comments from  
3 consumers who were currently policyholders and who  
4 were currently employed, but they did not have  
5 excessive discretionary income to pay for the  
6 proposed rate increase; and they raised their  
7 concerns that if they were to have an increase in  
8 their premium, that they would not be able to make  
9 the adjustment in their income to afford to keep  
10 their policies.

11 I was also provided with information that  
12 there are some financially sensitive populations who  
13 question affordability. These populations included  
14 senior citizens, those who are over 60, and retirees.

15 I also received comments from small business  
16 owners who articulated that though they are business  
17 owners, they are not able to increase their business  
18 rates and incomes in the amount and frequency in  
19 which Wellmark's rates have been increasing.

20 I have also been told and received comments  
21 from consumers that noted that in order to afford the  
22 rate increases that they have had in the past, they  
23 have had to take actions in the form of reducing  
24 their benefits received, causing them to be underinsured.

25 Consumers have had to increase or--I'm

1 sorry, decrease the amount and access to their health  
2 care providers or services.

3 I have also received information that they  
4 have moved to higher deductibles, which requires them  
5 to pay out of pocket, and some consumers are unable  
6 to do so in order to receive those services.

7 I received a total of 176 comments on this  
8 area as of the close of business yesterday evening.

9 The second area that was a noticeable trend  
10 was that of the rate increase weariness.

11 As remarked at a previous hearing, this was  
12 something that was raised. Consumers have expressed  
13 concerns over the frequency of the rate increases and  
14 their amounts.

15 Consumers did acknowledge the fact that they  
16 understand that health care prices are increasing and  
17 they also agreed and understood that the price of  
18 services in general will increase; but they felt in  
19 light of the previous increases and the number of  
20 increases that they have, and their frequency, the  
21 current increase that has been requested was seen to  
22 be excessive. I received 130 comments in this area.

23 The next trend area that I received was that  
24 of Wellmark's increased causes or reasons and their  
25 discretionary spending.



1           In this area I received a number of  
2 comments, questioning the reasons why Wellmark was  
3 choosing to increase the rates.

4           But I would note that under Iowa law this  
5 information is required to be provided on the actual  
6 personal notice received by consumers. Consumers  
7 felt that that information was not descriptive enough  
8 to be informative to them. Therefore the comments I  
9 received speculated on the additional reasons that  
10 could be causing the increases.

11           Consumers questioned whether or not Wellmark  
12 needed to include a percentage of their increase for  
13 profits and retained earnings and requested that the  
14 Commissioner consider this when making her decision,  
15 especially in light of the media highlighting the  
16 company's assets and profitability.

17           Some comments also questioned Wellmark's  
18 reasons for increasing rates, and if this was a  
19 preemptive action in consideration of the scheduled  
20 changes in health reforms.

21           In the area of discretionary spending,  
22 consumers raised comments in multiple areas. These  
23 areas included objections centered around the new  
24 office facilities of Wellmark, the employee  
25 compensation, the executive compensation, and the use

1 of promotional materials both by mail and in advertising.

2 In general, these comments leaned toward  
3 reducing the costs passed on to consumers, and the  
4 consumer comments encouraged Wellmark to consider  
5 other means and ways of reducing their expenses and  
6 costs instead of passing them on to consumers.

7 Other notable trends that I would bring up--  
8 I'm sorry, to go back to the last area of increase  
9 causes and reasons for discretionary spending, I had  
10 92 comments articulated on this issue.

11 The last area I would bring up would be that  
12 of notable other trends, and the other trends raised  
13 of some significance were by those who identified  
14 that they were not using their policy services or  
15 benefits, and they felt that an increase for a policy  
16 that they were not using was unjustified since their  
17 personal use was rare.

18 I received 49 comments addressing area.

19 Similar comments regarding high deductible  
20 plans were also raised. The high deductible comments  
21 expressed that policyholders were unlikely to have  
22 enough claims to actually exceed their deductible,  
23 and they found that having a policy and premiums on  
24 top of having to pay out of pocket for all medical  
25 services before that deductible was met was too

1 expensive.

2           Comments were raised that these consumers  
3 were considering dropping their insurance policies as  
4 they were not receiving any of the benefits, and they  
5 could not afford to maintain both premiums and the  
6 actual medical costs.

7           I received 30 comments in this area from  
8 high deductible policyholders.

9           Also of note, I received a significant  
10 number of consumer comments about the effects raising  
11 rates in a difficult time would cause, specifically a  
12 difficult economic time.

13           Consumers shared comments about the lack of  
14 good job opportunities for the policyholders to be  
15 able to afford premiums or be able to obtain group  
16 health insurance from an employer, therefore forcing  
17 them to purchase individual insurance.

18           Consumers also shared that many  
19 policyholders have not received raises at their jobs  
20 for those who are employed. They have also taken  
21 salary cuts or have not received income increases  
22 that in any way matched the premium increases that  
23 have been requested by Wellmark over the years.

24           Comments in the areas of economic concerns  
25 usually encouraged Wellmark to be mindful of the

1 difficult economic conditions surrounding our country  
2 generally and Wellmark policyholders specifically.

3 I received 48 comments in this area.

4 In conclusion, I would bring up that the  
5 concerns and comments and thoughts from the Wellmark  
6 policyholders on the proposed rate increase were over  
7 300 last night, and at that time only one of the  
8 comments supported the increase. The others did not.

9 Of those over 300 comments raising issues or  
10 concerns, 96 of those comments asked that you  
11 disapprove, disagree or explicitly asked that the  
12 commissioner of insurance not approve the rate  
13 increase.

14 I would also add for the public that a copy  
15 of this report will be posted online and be made  
16 available to the public.

17 I thank you for this opportunity to present  
18 the public testimony and comments of the consumers  
19 that have been received before the hearing, and I ask  
20 the Commissioner if she has any questions for me at  
21 this time?

22 COMMISSIONER VOSS: Mr. Robinson, I  
23 apologize for being late. I think Jim told you the  
24 reason I was not here, so I didn't hear the first of  
25 your comments, but I assume I'll be getting a written

1 report from you right after this.

2 MS. ROBINSON: Yes.

3 AN UNIDENTIFIED SPEAKER: Could we get the  
4 volume up on the microphones?

5 COMMISSIONER VOSS: How is that; better?

6 AN UNIDENTIFIED SPEAKER: There's nothing.  
7 It's not on.

8 COMMISSIONER VOSS: Now can you hear me?  
9 Can you hear me?

10 Can you hear me now?

11 Is it just me?

12 AN UNIDENTIFIED SPEAKER: No. Hers wasn't  
13 working either very well.

14 COMMISSIONER VOSS: Okay. One second.

15 Anything here?

16 No.

17 Okay. Well, best laid plans.

18 So, in other words, you're going to get me a  
19 copy of the report today or sometime in the near  
20 future?

21 MS. ROBINSON: Yes. You have to be speak  
22 into the microphone in order to be heard at the  
23 remote sites.

24 Thank you for bearing with us. This is the  
25 first time we've done this over an ICN, and it was an

1 effort to try to get greater accessibility to this  
2 hearing process for all of Iowans throughout the  
3 state.

4 COMMISSIONER VOSS: Thank you, Ms. Robinson.

5 All right. I think we'll move on. Thank  
6 you very much.

7 At this point we want to give an opportunity  
8 for comments from the interested parties, and we're  
9 going to start with Urbandale, and we have 12 sites  
10 around the state, and we're also going to ask them,  
11 but we'll first start with persons here in Urbandale.

12 And I know that we have a lot of people in  
13 the room. You don't have to speak if you don't want  
14 to. If you feel that you would like to speak with us  
15 later on or make an appointment, and we would ask  
16 that the first people that, you know, want to speak  
17 would be Wellmark policyholders. And if they want to  
18 come up to the microphone right here, let us know who  
19 you are. Just remember this is all being recorded.  
20 There will be a transcription, and this will all  
21 being posted on our Web site.

22 MS. ROBINSON: Thank you. Are there any  
23 other clipboards out there?

24 I will go ahead and take them since they  
25 have --

1           COMMISSIONER VOSS:  So I'm going to call  
2 Carol Stuart.

3           MS. STUART:  For your information, I am not  
4 a current--

5           COMMISSIONER VOSS:  You have to come up  
6 here.  I'm sorry.

7           MS. STUART:  I have you have to come up  
8 here?

9           COMMISSIONER VOSS:  This is so everybody can  
10 get the opportunity to hear the comments.

11          MS. ROBINSON:  Even at the remote sites.

12          MS. STUART:  Do I click on this?  I'm  
13 actually a Wellmark policyholder through the State of  
14 Iowa.  I'm not an individual.

15          COMMISSIONER VOSS:  That's all right.

16          MS. STUART:  But I do have concerns because  
17 of the ever increasing costs of the premiums.  We  
18 have seen--they have seen a 50 percent rise since  
19 2006.

20          MULTIPLE UNIDENTIFIED SPEAKERS:  We can't  
21 hear.

22                 (Discussion off the record.)

23          MS. STUART:  So I have concerns, and Angel  
24 did a very good job of expressing those concerns, the  
25 same as mine and many of the policyholders.  I guess

1 my question will be different from yours.

2 My question is to the Commission as to why  
3 none of these have ever been denied? It seems like  
4 the system is always rigged in favor of Wellmark.  
5 You may reduce the request by 1 or 2 percent, but I  
6 think eventually the public would like to see these  
7 reduced or denied totally because I feel these rate  
8 increases are outrageous, and that will be my  
9 comments.

10 COMMISSIONER VOSS: Thank you.

11 I have a Mr. F. James Temple. Mr. Temple.

12 MR. TEMPLE: Yes. Hello. My name is James  
13 Temple, and I am a Wellmark policyholder through a  
14 group policy actually, and I would just like to speak  
15 out against this rate increase because I believe it  
16 is improper, unnecessary, and that continual rate  
17 increases have reached the point where many people  
18 will not be able to afford insurance, putting lives  
19 at risk.

20 And that's my main point and thank you.

21 COMMISSIONER VOSS: Thank you.

22 Greg Smith.

23 Hi, Mr. Smith.

24 MR. SMITH: I'm Doctor Greg Smith, and I am  
25 a retired pastor. I'm 63 years old, and I've been in



1 the Wellmark individual plan with a 10,000 deductible  
2 for 2 years, and in those 2 years the premiums have  
3 gone up 35.85 percent, which seems to me to be a lot.

4 I'm on a fairly fixed income so that's of  
5 great concern to me.

6 I have a question of the Insurance  
7 Commissioner and then a question for Blue Cross.

8 The question to the Insurance Commissioner  
9 is, how does this rate increase over the last 3 years  
10 compare to other insurance carriers in the State of  
11 Iowa?

12 And my question to Blue Cross is, the reason  
13 for this rate increase this year is they say due to  
14 the increasing unhealthiness of Iowans; and I'm  
15 wondering what incentives are built into their  
16 policies that might induce healthfulness on the part  
17 of the policyholders?

18 I'm thinking just of a practical example, we  
19 have a health center across the street that just  
20 opened, \$10 a month.

21 Would Blue Cross be interested in promoting  
22 health through maybe subsidizing a gym membership for  
23 their members?

24 There might be dozens of other ways of  
25 controlling those costs.

1           But I recognize that-- I understand the  
2 reasons. I'm just wondering what we can do about it  
3 to be proactive.

4           COMMISSIONER VOSS: Thank you. I'll tell  
5 you I don't have the exact figures right in my head  
6 on the other carriers. That is on our Web site if  
7 you want to look at what the rate increases have been  
8 for all of the companies that do business in Iowa.

9           I believe maybe Wellmark will be speaking  
10 later this morning and perhaps they can address that  
11 on the wellness issues. But thank you.

12           Alison and Brent Le Blanc.

13           MR. Le BLANC: My name the Brent Le Blanc.  
14 I'm 20 years old and a sophomore at Iowa State  
15 University.

16           My parents own a small business. They've  
17 owned this business for 8 years. They are the sole  
18 owners and sole employees.

19           We moved here from Chicago after my father  
20 was laid off from Telecom. While we really love  
21 Iowa, it's a fantastic state, we do not have the  
22 option of joining a chamber of commerce that we had  
23 in Illinois. Iowa does not allow this.

24           Our Blue Cross Blue Shield premium is taken  
25 directly from my parents' checking account monthly at

1 a rate of \$1200 per month.

2 My parents' business is real estate  
3 dependent, and I'm pretty sure we're all relatively  
4 aware of how the real estate economy has been doing  
5 in these past few years.

6 We carry a debt balance with our medical  
7 providers, and we've had providers drop us even  
8 though we pay all of our monthly payments. All of us  
9 delay going to the doctor. We all have continuing  
10 medical needs.

11 As a student at Iowa State this year, I have  
12 dealt with illness, bicycle accidents and other  
13 physical injuries that I have not informed my parents  
14 of, and this is the first time my mother today is  
15 hearing of it, because I want them to see their  
16 medical needs taken care of.

17 My parents are in their late fifties, and I  
18 often worry about their retirement, their retirement  
19 funds; and while I would not consider this a burden,  
20 I do fully intend to take care of them in their age,  
21 but I think they'd rather be independent of me for a  
22 while, so I would rather that they had the funds to  
23 take care of themselves in their age.

24 In the past 8 years for their small business  
25 their monthly premium has doubled. They pay over

1 \$12,000 a year in premiums.

2 Thank you.

3 COMMISSIONER VOSS: Thank you.

4 Jean Myers.

5 MS. MYERS: I too-- I retired myself from  
6 work after my husband died of Lou Gehrig's for 11  
7 years. I took care of him and worked full time.

8 Being a widow, living off my savings, which  
9 is dwindling quickly because my health insurance has  
10 increased more than double, I've called Blue Cross  
11 Blue Shield, reduced the deductions, and what I have  
12 to pay out of pocket has even gotten higher trying to  
13 reduce my health rates.

14 I go to the gym. I work out. I do a lot of  
15 things. I pay for stuff myself.

16 I understand health costs are rising, but I  
17 also understand the economics of what's going on now.

18 A lot of people are unemployed, taking job--  
19 rate cuts, losing their jobs. I think Blue Cross  
20 Blue Shield needs to stop and dig in their own  
21 pockets and give us an opportunity to try and heal  
22 from what's going on right now.

23 I pay over \$6,000 a year in health  
24 insurance, which is ridiculous, and until my  
25 investments--until I reach 59 1/2, I'm living off my

1 savings, and Blue Cross Blue Shield is taking a lot  
2 of my money every year, and the bleeding needs to  
3 stop.

4 COMMISSIONER VOSS: Thank you.

5 Deborah Vanko. Do I have that right?

6 MS. VANKO: Yes. I'm a psychotherapist in  
7 private practice in Windsor Heights, and this is the  
8 third year my insurance will have gone up.

9 This increase is not only unfair, but it  
10 shows corporate greed of Blue Cross Blue Shield.  
11 They are focused on profit and not making insurance  
12 affordable.

13 Keeping insurance affordable is not their  
14 goal, I don't feel. It's money. Their bottom line  
15 is money.

16 I don't trust Blue Cross Blue Shield to be  
17 telling us the truth, that we've used more health  
18 care. Why would we trust their figures? We need an  
19 independent audit.

20 Maybe this CEO needs to take a pay cut.  
21 Maybe they need to accept less profit. We don't  
22 always need to have increasing profit.

23 I'm tired of corporations using us. This is  
24 another example of what the 99 percent say. The  
25 elite, the financial elite, use and abuse those

1 below, and this is enough. Thank you.

2 COMMISSIONER VOSS: Thank you.

3 Those were the people that had signed up  
4 here at Urbandale, and I want to give an  
5 opportunity --

6 MS. SPEAS: My name is on that page. It was  
7 on the first page.

8 COMMISSIONER VOSS: Sorry. Well, there you  
9 go. I've got several sheets here. Sorry.

10 Howard Holden.

11 (No response.)

12 Cindy Walker?

13 MS. WALKER: My name is Cindy Walker. I'm  
14 65 years old, and I have three questions for Blue  
15 Cross.

16 First of all, I want to know why they feel  
17 that their proposed rate increase is greater than the  
18 5.8 percent projection nationally.

19 I would like to know why they-- I'm assuming  
20 they're still making a profit as to what is paid  
21 versus their expenses. What is this margin of profit?

22 And have your employees been receiving pay  
23 increases? Since most of us are either frozen or  
24 we're lucky to get a 3 percent increase in our wages.

25 And what is your CEO getting as a bonus now?

1 I'm tired of paying for sizeable increases  
2 of premiums over the last several years only to have  
3 it go to huge bonuses at the top.

4 We are all having to tighten our budgets to  
5 get by on what we have, and I don't think it's fair  
6 that your company continues to increase your expenses  
7 in bonuses and salary increases at the expense of the  
8 people who have to have insurance.

9 COMMISSIONER VOSS: Thank you.

10 Pam Waters.

11 MS. ROBINSON: Apparently the microphones  
12 are working in the sites. We just have to speak up  
13 in this room.

14 MS. WATERS: My name is Pam Waters, and my  
15 first concern is the proposed increase that was sent  
16 out. It says Wellmark is asking to increase rates  
17 because it believes there will be an increased cost.

18 Does that mean that there are already  
19 increases, or they're trying to be proactive in trying  
20 to get ahead of these increased costs?

21 I lost my job in August of 2007. At this  
22 point in time I have not yet found full-time  
23 employment, therefore, I do not have employer--any  
24 type of employer insurance.

25 I was forced to get individual insurance in

1 January of 2008 after being on COBRA for 4 months.

2 Since then my insurance premiums have raised  
3 43.9 percent. That does not include the most recent  
4 9.35 rate increase proposed.

5 If that would go through, my premiums would  
6 have increased over 50 percent for just me, and I go  
7 to the doctor once a year for an annual physical.

8 I have now stopped doing that. I am on 2  
9 prescriptions. I have stopped taking those because I  
10 can't afford to go to the doctor to get a renewal of  
11 the prescriptions. The prescriptions were not  
12 covered by the insurance in the first place, but I  
13 can't afford to get the prescriptions renewed.

14 It would be helpful if Wellmark would be  
15 proactive versus reactive, and I don't mean proactive  
16 in trying to increase premiums before the incidents  
17 have happened. Try going after the doctors and  
18 hospitals who have excessive and exorbitant fees.

19 When I drive downtown and go past the  
20 multimillion dollar new building that they're in, was  
21 that absolutely necessary? And what about the  
22 multimillion-dollar compensation packages of the  
23 executives?

24 As I said, I do not have an employer as of  
25 now. I'm doing temp positions, therefore a hundred



1 percent of the expenses are mine, and my husband's  
2 employer does not provide medical expenses.

3 And until I'm fully employed, I may have to  
4 stop insurance altogether just to be able to get by.

5 I would like Wellmark to at least consider  
6 tightening their belt as I have, as we all have had  
7 to do.

8 COMMISSIONER VOSS: Thank you.

9 Chuck Jones.

10 MR. JONES: Hello. My name is Chuck Jones.  
11 I'm a self-employed individual, so I pay a hundred  
12 percent of the medical costs and medical insurance  
13 for our family.

14 I wasn't really here to make a speech today.  
15 Who is the Wellmark representative? Because I had  
16 questions I wanted answers for.

17 MS. VANKO: Tell them to raise their hand.

18 COMMISSIONER VOSS: I believe they're going  
19 to speak at the end and then, you know, I think they  
20 can take some questions. So we're going to go  
21 through the process of letting everybody do their  
22 input and then we'll have Wellmark speak.

23 MR. JONES: Well, I've contacted them a  
24 number of times in writing and by phone, and I've  
25 never got a response, so I guess I can read some of

1 the questions. That's really not what my intention  
2 was today.

3 My understanding is Wellmark is a mutually  
4 owned company, therefore all of us as policyholders  
5 are the owners, and yet I don't feel we ever have any  
6 input.

7 I found out that there is an annual meeting  
8 that they hold somewhere between April and May, and  
9 we're supposed to get notice of that so we can attend  
10 that meeting, and I've requested that in writing and  
11 I've never received a response, and I've never  
12 received notice of that meeting, and I wonder why  
13 that is and I'd like to receive is that, and I'm sure  
14 a lot of people in the room would like to receive  
15 that.

16 The one answer I did get from them is, like  
17 I say, I'm a self-employed individual, so we have a  
18 high deductible plan, pay \$8,000 a year in premiums  
19 for the catastrophic portion and \$6,000 for the  
20 out-of-pocket expenses. That's a total of 14,000.

21 I would think that that would be a different  
22 type of plan than the large employers that pay a  
23 hundred percent of their employees' policies with  
24 little or no cost to the employee at all.

25 But I was told that we are lumped with them

1 or pooled with them. It would seem like they're  
2 using the self-employed individuals to subsidize the  
3 large employers who pay nearly all the costs of their  
4 employees, and I would say that that was inherently  
5 unfair, and I have not received an answer to that  
6 either.

7           So really, like I said, I had questions for  
8 the Wellmark executive. I know the chief executive  
9 officer make over 2 million dollars, and there's a  
10 number of divisional vice-presidents that make over a  
11 half million dollars apiece, and I would think at  
12 least one of them could be here today to answer our  
13 questions. Thank you.

14           (Applause.)

15           COMMISSIONER VOSS: Thank you.

16           Michael Raymond.

17           MR. RAYMOND: Hi. Mike Raymond.

18           Just a point to the Commissioner. I retired  
19 in-- Let me get my paper. I retired in 2006, and at  
20 that time my insurance payments were under a thousand  
21 dollars.

22           At the present rate my insurance payment is  
23 1385 a month. With this price hike coming, it will  
24 be 1520 a month.

25           I cannot afford this insurance. I will have

1 to seek other insurance that won't cover my major  
2 medical. Thank you.

3 COMMISSIONER VOSS: Thank you.

4 Tom Houghton.

5 MR. HOUGHTON: That's me, but I didn't sign  
6 up to speak.

7 COMMISSIONER VOSS: Oh, okay. Thank you.

8 I think we're going by people who signed in  
9 and give you an opportunity if you want to. I don't  
10 want to pressure anyone.

11 Craig Kooyman, you want to speak?

12 MR. KOOYMAN: Can I do it right here?

13 COMMISSIONER VOSS: Sure.

14 AN UNIDENTIFIED SPEAKER: Excuse me. Before  
15 this gentlemen speaks, I would like to remind you  
16 that there are other sites that would like to have a  
17 word in too.

18 COMMISSIONER VOSS: Yes. We're going to let  
19 Urbandale, and then we're going to go down all of the  
20 sites.

21 AN UNIDENTIFIED SPEAKER: Is this going to  
22 happen before 12:30?

23 COMMISSIONER VOSS: Yes.

24 MR. KOOYMAN: Thank you. My name is Craig  
25 Kooyman. My situation is I'm self-employed.

1           MULTIPLE UNIDENTIFIED SPEAKERS: Louder.

2           COMMISSIONER VOSS: You have to keep it  
3 pressed down and speak right into the mike.

4           MR. KOOYMAN: I'm self-employed. I have a  
5 dependent daughter that I'm required to cover on  
6 health care per the Iowa Code.

7           At the time that I started the coverage  
8 requirements, they were as per my employer. I'm  
9 required to keep that according to the Iowa law.

10           At that time I was paying approximately \$35  
11 a month. With this increase, if it is happening, I  
12 will have over \$200 a month for her.

13           I'm a double-coverage on her. Her mother  
14 carries it too. So it would be twice a hit on that.

15           I think, too, that within the state we are  
16 limited on our health care choices. I would like to  
17 see more options available.

18           And that is all.

19           COMMISSIONER VOSS: Thank you.

20           Vernon Friedley.

21           MR. FRIEDLEY: My name is Vernon Friedley.  
22 I am an individual policyholder. At the age of 18 I  
23 volunteered for the military, went to Vietnam. Is  
24 this what I fought for?

25           One question--concern I have, in the letter

1 I received, paragraph 2, the base premium rate is the  
2 base price for your health benefits. Your actual  
3 premium is a specific amount you pay for your health  
4 benefits, which takes into account adjustments for a  
5 variety of factors independent of the base rate, such  
6 as age and plan benefit design.

7 Due to these adjustments, your actual  
8 premium increase effective April 1, 2012 may be  
9 higher or lower than the proposed base rate.

10 So what is this review for?

11 COMMISSIONER VOSS: This is for the base  
12 rate.

13 MR. FRIEDLEY: The base rate. In other  
14 words, we can be charged more than what their asking  
15 for. This seems to be a little bit erroneous as far  
16 as a hearing.

17 COMMISSIONER VOSS: The law requires that we  
18 review the base rate, and then the other factors that  
19 are part of the statute are added onto that. So we  
20 have the authority over the base rate. The statute  
21 sets forth what those other factors are. Those  
22 aren't part of the hearing process.

23 MR. FRIEDLEY: So, in other words, if they  
24 don't get the amount they want--they're asking for,  
25 they can raise it in other ways?

1 COMMISSIONER VOSS: No. No, they can't.

2 MR. FRIEDLEY: That's what it says here.

3 COMMISSIONER VOSS: That would be incorrect.

4 MR. FRIEDLEY: That's what it says here.

5 COMMISSIONER VOSS: That's incorrect though.

6 They can only --

7 MR. FRIEDLEY: It says they can raise --

8 COMMISSIONER VOSS: I understand that. But  
9 on the base rate then we would have to go back and  
10 review that.

11 MR. FRIEDLEY: So to me, this is rigged.

12 (Applause.)

13 COMMISSIONER VOSS: Mr. Quam.

14 MR. QUAM: I'm Steve Quam. I'm a physician  
15 in this community. I'm an anesthesiologist. I'm a  
16 paying provider of pain services, and I'm also the  
17 medical director of the Surgery Center of Des Moines.

18 What I want to ask today is how much-- Does  
19 Blue Cross Blue Shield give any information to  
20 patients or providers concerning the low-cost  
21 providers and where they can get services at an  
22 effective rate?

23 Working at the Surgery Center of Des Moines  
24 our reimbursement for our procedures at our facility  
25 are 40 percent less than the hospital, and I think

1 that that would be a very significant place where  
2 they could reduce costs.

3 I see patients in my pain office. I always  
4 educate my patients on where they can receive their  
5 procedures most cost effectively. We can do it at  
6 our cost in the office for the cost of a copay to  
7 versus going into a hospital for a deductible cost,  
8 and I don't see a whole lot about that being advertised  
9 anywhere, and I think that's very important for people to  
10 understand that there are cost-effective places to  
11 get their services provided.

12 I do want to comment to the people that I've  
13 heard some comments about physician reimbursement  
14 being excessive. My reimbursement has gone up 1 to 2  
15 percent over the last 3 years, and so it's not going  
16 in the physicians' pockets at this point in time.

17 There are several procedures that are done  
18 at our surgery center that requires implants, and if  
19 a lot of them have implants, they don't allow them to  
20 do it where they can have it done for 40 percent less  
21 because we can't get reimbursement for the implants,  
22 as a result we can't do those procedures.

23 I think there are cost-effective ways that  
24 we can receive services in the community. They need  
25 to be communicated to the public, and the physicians



1 need to educate patients where they can receive cost-  
2 effective services. Thank you.

3 COMMISSIONER VOSS: Thank you.

4 JoAnn Spegs.

5 MS. SPEAS: It's JoAnn Speas.

6 COMMISSIONER VOSS: I'm sorry. I thought  
7 that was a "g". I apologize.

8 MS. SPEAS: That's okay. We became  
9 privately insured in the fall of 2007. Our initial  
10 coverage was very acceptable for the price.

11 Three months hadn't past, our insurance  
12 premium tripled, and we hadn't even used our insurance.

13 In '08 it tripled again. In '09 it went up.  
14 I don't have the percentages. I wasn't smart enough  
15 to figure out a percentage. All I know is it's gone  
16 up.

17 Currently we are at \$9,000, approximately,  
18 per year.

19 So if we get a 9.35 percent increase, we're  
20 going to be over \$10,000.

21 We're on a fixed income also. I think  
22 everyone's on a fixed income because we all receive  
23 salaries. My husband and I are small business  
24 owners. We're healthy, thank goodness. We're not  
25 retired. We can't afford to.

1           We're 64 years old. I'm aware of expenses.  
2 I'm an RN. I quit working to work in our business so  
3 that we wouldn't have to have another employee.

4           I worked in the coronary care unit where we  
5 worked with insufficient help because of prices.

6           I happen to know that if I happen to be in  
7 the coronary care unit, I'd like to have adequate  
8 help so I can be taken care of.

9           I dealt with those kinds of insufficient  
10 funds on a daily basis. We all deal with it. Health  
11 care is a tough industry.

12           We work in a tough industry. We work in the  
13 agriculture business. We diligently attempt to keep  
14 our operating expenses down. We don't operate new  
15 equipment. We don't have a shiny new piece of  
16 equipment, like a shiny new building to operate in.  
17 My husband has learned how to take care of our  
18 equipment so that we can utilize it.

19           We still are able to make a profit, even  
20 though we have not increased our prices in 5 years.

21           We don't want to rape our customers, because  
22 they are all on fixed incomes also. It's just as  
23 hard for our customers to pay increases as it is for  
24 us. We just work harder with less help.

25           I used to carry our insurance, but because

1 of the need to be at home, I quit working outside the  
2 home, so I don't get a paycheck.

3 I just believe that these continual  
4 increases that everyone is experiencing--and I am  
5 hearing other horror stories that are worse than  
6 ours, but something has to quit somewhere. You know,  
7 we don't-- We just have a smaller profit every year.  
8 We don't get a \$200,000 bonus for doing a good job  
9 like we're hearing about and reading about in the  
10 newspaper.

11 And so belts need to be tightened somewhere.

12 And the doctor that spoke before me, he had  
13 some very good comments. There are other ways to  
14 take care of some of these costs, and they need to be  
15 made aware, and the insurance companies need to allow  
16 it to happen.

17 And thank you for listening to all of our  
18 concerns today, as it is out of control and people  
19 are going to be without insurance, and that's going  
20 to be a worse mess than what we have right now.

21 COMMISSIONER VOSS: Thank you.

22 We are going to lose access to the outside  
23 sites at 12:30, so with your permission, if we could  
24 allow them-- I know we have several other people in  
25 the room, but we want to give those people around the

1 state the opportunity, so I'm going to just hold on,  
2 I know some of you still want to speak, but if we  
3 could just allow those people at the other sites an  
4 opportunity.

5 And I'm going to call on Cedar Rapids.

6 (Names from the outside sites are spelled  
7 phonetically due to not receiving a listing of names  
8 from those sites.)

9 MS. THORSON: I have a comment.

10 COMMISSIONER VOSS: Thank you.

11 MS. THORSON: I'm a policyholder. I want to  
12 say that according to the *New York Times* 1 in 3  
13 Americans live in poverty or just above it--1 in 3.

14 Runaway medical costs and bloated executive  
15 salaries are clogging the economic engine of the  
16 middle class.

17 I'm asking you to exercise your power as  
18 insurance commissioner to keep the wolves from our  
19 door.

20 The Web site of the Iowa Insurance Division  
21 states that it supervises all insurance business  
22 transacted in the state and has general control over  
23 all aspects of their business from the forums they  
24 use to the rates they charge.

25 Can you not only reduce our policy rates but

1 also influence Wellmark's executive compensation?

2 Surely some belt tightening at the top is  
3 called for when 1 in 3 Americans lives in poverty.  
4 Unrestricted growth in cost is unsustainable.

5 COMMISSIONER VOSS: Could I get your name?  
6 We didn't get that at the very beginning.

7 MS. THORSON: My name is Joan Thorson. I'm  
8 an individual policyholder.

9 COMMISSIONER VOSS: Thank you.

10 Is there anyone else from the Cedar Rapids  
11 site that would like to speak?

12 MR. ARENAS: Yes, Jesse Arenas.

13 COMMISSIONER VOSS: Go ahead.

14 MR. ARENAS: I'd like to say that the Blue  
15 Cross and Blue Shield is also an enabler, allowing  
16 doctors and pharmacies to charge double.

17 I went in for blood work, and I got told I  
18 had to come in the next week for blood work for  
19 something else, which could have taken place all the  
20 same day, and then I had an appointment made another  
21 time.

22 Also I got diabetes, and I was told that I  
23 had to get one of these testers, and that I  
24 could--the doctor said I could get any one that I  
25 wanted; but then I went to the pharmacy. They said,

1 "Oh, no, you can only get this kind," which is the  
2 most expensive, and the test strips were the most  
3 expensive, where I could have gotten other ones for  
4 free, and the test strips would have been a third of  
5 the cost or less. And I think you should monitor  
6 that and, you know, Blue Cross ought to keep a  
7 monitor on the doctors and the pharmacies.

8 COMMISSIONER VOSS: Thank you.

9 Anyone else at the Cedar Rapids site wish to  
10 speak?

11 MS. MANN: My name is Carol Mann. I'm an  
12 individual policyholder as well.

13 My husband and I both work for small  
14 businesses here in town. I used to have group  
15 coverage through my employer, but due to rising costs  
16 they dropped that, which forced us to have to get  
17 individual policies.

18 At that time we started out in 2010 paying  
19 over \$1100 a month--or, I'm sorry, in 2010.

20 In 2011 that jumped to over \$1300 a month.

21 That is more than my house payment.

22 Because of that, we were forced to change  
23 policies within Blue Cross but for a much higher  
24 deductible. We now have a \$10,800 deductible that  
25 we'll never meet, barring something awful happening;

1 but we had to do that in an effort to reduce the  
2 premium amount, which is still over \$900 a month.

3 We're a struggling family just like anybody  
4 else with children, the rising costs associated with  
5 just everyday day-to-day living.

6 And I would request the Commissioner deny  
7 Blue Cross's request in its entirety.

8 COMMISSIONER VOSS: Thank you.

9 Anyone else in Cedar Rapids?

10 MR. GIDEONS: Yeah. This is Jason Gideons.  
11 I've been a policyholder for over 10 years. I'm a  
12 small business owner. I used to promote Blue Cross  
13 Blue Shield quite a bit. It was pretty reasonable  
14 back in the day. The last couple of years it's been  
15 getting kind of excessive.

16 My family, including my wife, is in the  
17 insurance industry and coupled with that with  
18 business, I know how the game is played. I ask that  
19 the Commissioner really take a look at this because I  
20 guarantee that Blue Cross Blue Shield is cutting a  
21 fat hog. You know, they're running around in their  
22 Mercedes Benz and taking their bonuses and everything  
23 else on the backbones of us, and I don't think it's  
24 right whatsoever. They're in the industry to provide  
25 affordable insurance and health care to individuals

1 and not worry about, you know, profitability, and  
2 that type of stuff.

3 So I ask that you really take a look at this  
4 pretty hard. Thank you.

5 COMMISSIONER VOSS: Thank you.

6 Anyone else in Cedar Rapids?

7 (No response.)

8 COMMISSIONER VOSS: All right. Thank you.

9 We'll move on to Clear Lake.

10 Would you like to speak in Clear Lake?

11 MR. TORGELSON: My name is Warren Torgelson,  
12 and I have my Blue Cross and Blue Shield through the  
13 Farm Bureau. My wife was a school teacher of 35  
14 years. She retired. And before--prior to that we've  
15 always had Blue Cross and Blue Shield. We had a very  
16 good thing where she--they paid a lot of hers, about  
17 3/4ths of mine.

18 We knew that when she retired, that that  
19 would change. Presently we are now paying over--  
20 close to \$1200 a month in insurance. And I could  
21 have had the option of going with the school plan but  
22 chose not to because of the high premium I would be  
23 paying; and so therefore I went with Farm Bureau.

24 It started out not being too bad, but the  
25 last 2 years we've seen a rate increase; and if this



1 goes up again, we'll be paying even more.

2           While we are still able to handle this, I  
3 just wonder sometimes if we can't have good health  
4 insurance at a more affordable price and so that more  
5 people can be insured and be taken care of.

6           Yes, we all want good--we all want good  
7 medical care, and we want to be taken care of; but I  
8 just question where all of these rate increases--if  
9 they really are necessary.

10           COMMISSIONER VOSS: Thank you.

11           Anyone else in Clear Lake?

12           MS. SATHOFF: My name is Linda Sathoff, and  
13 I'm from Pocahontas. I am an individual policyholder.

14           I am not old enough quite yet for Social  
15 Security or Medicare so my rates come out of my pocket.

16           I have to work part time just in order to  
17 afford this insurance. I try not to go to the  
18 doctor. I am fairly healthy. I try to do healthy  
19 things. But I would like the Insurance Commission to  
20 take a hard look at these rate increases, as well as  
21 Blue Cross Blue Shield, and I think between them and  
22 the medical field, things could be trimmed down a  
23 little bit so that everybody can afford this  
24 insurance. Otherwise you're going to see a lot more  
25 people on welfare.

1 COMMISSIONER VOSS: Thank you.

2 I think we'll move to Council Bluffs.

3 MR. DAVENPORT: My name is Mark Davenport.  
4 I live in western Iowa, outside Council Bluffs. I  
5 have a couple of concerns.

6 The letter I received indicates that my  
7 premium is going to go up nearly 40 percent. I've  
8 only been on this program for 2 months.

9 Prior to that I was with Blue Cross Blue  
10 Shield. In about October I checked to change some  
11 things around, and I found that if I merely dropped  
12 my mental health coverage and/or alcohol and drug  
13 addiction coverage, my premium went from \$300 a month  
14 to \$120 a month.

15 Nobody made me aware that that option was  
16 available.

17 The second thing is, there's a trend here,  
18 and I don't believe Blue Cross Blue Shield makes  
19 their consumers aware of all available programs that  
20 are out there.

21 Even the information I got when I reapplied  
22 for this new program I went with, it never disclosed  
23 anything about the Pool 5 coverage.

24 I think it would be important for everybody  
25 that's listening today, check into your coverages and

1 maybe unnecessary coverages that you're paying for.

2           The second thing is, if I can't afford this  
3 anymore, I'm going to be paying a hundred percent of  
4 my health care directly to the hospitals and the  
5 clinics.

6           Blue Cross Blue Shield gets discounts. If  
7 you don't have coverage, you get no discount by your  
8 health care provider.

9           I don't understand the increase. Thank you.

10           COMMISSIONER VOSS: Thank you. Anyone else  
11 in Council Bluffs?

12           MR. DAVENPORT: I'm sorry, I've got one  
13 other thing. Sorry about that.

14           COMMISSIONER VOSS: That's all right.

15           MR. DAVENPORT: It says on this letter it's  
16 based on age. Isn't age a form of discrimination and  
17 how does Blue Cross Blue Shield get around that one?

18           COMMISSIONER VOSS: Actually that's in the  
19 statute. That's in the statute.

20           MR. DAVENPORT: So the State of Iowa can  
21 actually endorse discrimination based on age?

22           COMMISSIONER VOSS: Is there someone else at  
23 Council Bluffs that wants to speak?

24           MS. YURKIN: Yes. My name is Linda Yurkin.  
25 My husband and I have a policy with Wellmark. My

1 husband is the sole provider for our family. We have  
2 two daughters in college. We have an HSA with a very  
3 high deductible.

4 We never use it, yet ours goes up. They talk  
5 about healthy living. I quit smoking 5 years ago,  
6 and they proceeded to increase our policies anyway.

7 They do not realize that the people that do  
8 not use it with the HSAs should not be in a pool.  
9 That is where I'm not understanding. They say our  
10 group has used it so much that it's went up.

11 Well, as far as I knew, our group was my  
12 husband, myself and our two children, and I can tell  
13 you, we don't use it.

14 COMMISSIONER VOSS: Thank you.

15 Anyone else in Council Bluffs?

16 (No response.)

17 COMMISSIONER VOSS: Davenport.

18 Anyone in Davenport?

19 MR. NESSLER: Yes. My name is Craig  
20 Nessler, and I've been with Blue Cross Blue Shield  
21 since 1998, and when I had my health coverage then,  
22 it was approximately \$89 a month.

23 And now it is \$531 a month.

24 And now it would be almost 600 if they pass  
25 this rate increase, and it's getting to a point where

1 I mean you're almost spending a two-week paycheck  
2 just to pay your health insurance, and it's going to  
3 come down sooner or later whether you just roll the  
4 dice and not have health insurance, or if you want to  
5 have health insurance and you're homeless because you  
6 can't afford a place to live or something like that.

7 But they've got to do something to get  
8 things kind of under control because 10 years from  
9 now it might be possibly so expensive that everybody's  
10 going to be dropping out, and who's going to pay Blue  
11 Cross Blue Shield for all their premiums, and that,  
12 and then they're going to be stuck with the people  
13 that have some health problems and that. The other  
14 people that are healthy are just going to roll the  
15 dice.

16 That's all I've got to say. Thank you.

17 COMMISSIONER VOSS: Thank you.

18 Anyone else in Davenport?

19 MS. MOORE: Yes. My name is Sharon Moore.  
20 I work for two medical doctors and three nurse  
21 practitioners, and what I first want to know is why  
22 the fee filed for the nurse practitioners is the same  
23 as it is for the MDs with less schooling; and when  
24 they do send in charges, because of the less  
25 schooling, they do a lot of overtesting that I'm sure

1 that we, as policyholders, are being--you know, that  
2 affects our premium cost.

3 So I want to know why someone on your end is  
4 not reviewing these charges, and why they get to  
5 charge the same as MDs with less schooling. Thank  
6 you.

7 COMMISSIONER VOSS: Thank you.

8 Anyone else in Davenport?

9 MS. GILBERT: Yes. My name is Tonya  
10 Gilbert, and first of all I'd like to know why nobody  
11 here is visual here to represent Wellmark. There's  
12 nobody here except us that are trying to not have the  
13 costs go up.

14 Is there any answer on that?

15 COMMISSIONER VOSS: Wellmark is going to be  
16 here in Urbandale to speak.

17 MS. GILBERT: This is Davenport.

18 (Laughter.)

19 COMMISSIONER VOSS: Okay. But they'll be  
20 here.

21 MS. GILBERT: I'm sorry, is there nobody  
22 that we can speak to here in Davenport?

23 COMMISSIONER VOSS: I don't know if Wellmark  
24 sent anyone to Davenport to the-- I'm sorry, our  
25 lights just went out here.

1 I don't know if Wellmark brought anybody to  
2 the sites. I know they have somebody in Urbandale  
3 here who will be speaking to everyone.

4 MS. GILBERT: We lose our connection in a  
5 half hour, don't we?

6 COMMISSIONER VOSS: No. It's been extended.

7 MS. GILBERT: Thank you. We started in 2009  
8 with Wellmark because we were retired, and our  
9 payments a month at that time were \$744, and now they  
10 have--they'll have gone up to \$1145, and annually  
11 that's an increase of \$4801--an increase--and we will  
12 be paying 13,700 and some dollars if this increase is  
13 as proposed. We cannot afford this. We can't. You  
14 have to do something. Thank you.

15 COMMISSIONER VOSS: Thank you.

16 Anyone else? Davenport?

17 (No response.)

18 COMMISSIONER VOSS: Dubuque.

19 MR. PRESPITARY: My name is Joel Prespitary.  
20 I've been a policyholder for a long time.

21 I've been to these consumer advocate  
22 meetings in the past, and it seems like a charade to  
23 me. I've been to utility rate board increases, and  
24 they get the increase.

25 What I wanted to bring to everybody's

1 attention today is that they're not telling us the  
2 truth. The truth is that Obamacare and its 2100 new  
3 mandates and entitlements, along with the 178 new  
4 federal agencies to administer the program, is the  
5 real reason why insurance rates are going to go  
6 through the roof.

7 And I would like the Commissioner answer  
8 where we are on the lawsuit with Obamacare in the  
9 State of Iowa, and I would like to know why the  
10 insurance lobby didn't do something about it before  
11 they passed the health care law. Thank you.

12 COMMISSIONER VOSS: I can answer that the  
13 lawsuit is still pending. Governor Branstad did sign  
14 on. It's to be heard at the Supreme Court in March.

15 And I don't have a response on the insurance  
16 lobby. They don't always follow my directions, as  
17 you can imagine.

18 Is there anyone else in Dubuque?

19 MS. SHARKEY: Yes.

20 COMMISSIONER VOSS: Go ahead.

21 MS. SHARKEY: My name is Cody Sharkey. I am  
22 a 23-year-old individual policyholder. I got this  
23 policy in 2006, and since then it has went up to  
24 where it is now more than my rent.

25 I wish I could say I was healthy as the



1 people that we've heard, but I'm not. And, excuse  
2 me, but this is kind of difficult being so young and  
3 having this all by myself, so there is going to be  
4 some emotion here.

5 Blue Cross Blue Shield does not pay all of  
6 it, and I am stuck with a lot of out-of-pocket  
7 expenses. As having a cancer-related amputation, I'm  
8 pretty much screwed for the rest of my life. I'm  
9 always going to have that.

10 I got insurance before I knew I had cancer  
11 and hoped that if anything ever did happen to me, I  
12 would still be able to afford to live.

13 At this time I am struggling beyond belief,  
14 and this rate increase is only going to make it even  
15 worse to where it is going to be more than my rent.  
16 It is going to be more than what I make. It takes  
17 one paycheck to pay this premium.

18 So I'm asking you, Commissioner, today that  
19 you really look at the information that you've been  
20 given and hear us all out.

21 And I ask the representative there at  
22 Urbandale, thanks for taking us into consideration  
23 and sending somebody here to actually speak with us  
24 in person; and I just want to lay this out, like you  
25 people at Wellmark, how do you go to sleep at night?

1 This is really affecting more than just me. Thank  
2 you.

3 (Applause.)

4 COMMISSIONER VOSS: Thank you.

5 Anyone else in Dubuque that wishes to speak?

6 (No response.)

7 COMMISSIONER VOSS: Okay. Fort Dodge.

8 AN UNIDENTIFIED SPEAKER: We have four  
9 individuals that would like to speak.

10 COMMISSIONER VOSS: Go ahead.

11 MR. VAN GUNDY: Good morning. I am Scott  
12 Van Gundy, and I'm an owner of an individual policy  
13 here.

14 And there's been a lot of really good  
15 comments from all the locations, and I could repeat  
16 everything that they've said; but I had a question,  
17 and I thought somebody was going to be here to answer  
18 this, but maybe they can on the follow-up.

19 It has to do with the statement of  
20 explanation that everybody gets monthly or whenever  
21 they have an issue at the hospital or a doctor's  
22 office.

23 And there's five areas here I want to go  
24 over, five columns. There is the amount that the  
25 provider charges, and there's a dollar amount there.

1 Then as you read to the right, there's a network  
2 savings column, and next to that there's the amount  
3 that Wellmark will reimburse the provider. And I  
4 understand that's a contractual thing that the  
5 provider has a contract for procedures that Wellmark  
6 will reimburse them a certain amount of money, and  
7 then there is a coinsurance which we as an individual  
8 will pay.

9           So as I understand it, the provider is going  
10 to get their money from the individual co-insurance  
11 that we put in, our 10 percent or 20 percent or  
12 whatever it is. Then Wellmark is going to reimburse  
13 them X amount of dollars.

14           You add those two together, and almost 99  
15 percent of the time it comes up short from what the  
16 provider charges.

17           And my question is, they label this as  
18 network savings.

19           What is that and where does it go? It's  
20 mystery money. Where does it go? It's a loss to the  
21 provider and what does that mean? Where does the  
22 money go? And I would like an answer.

23           COMMISSIONER VOSS: We'll have Wellmark  
24 address that on their contracting, because that's a  
25 private contract issue. We don't have any authority

1 over those, but I'm sure that they will speak to that  
2 when we have them address this.

3 MR. VAN GUNDY: Okay. Kind of a follow-up  
4 to that is what the provider charges. It could be  
5 300 bucks for something, it could be 50 bucks. Is  
6 there a watchdog out there somewhere that kind of reviews  
7 what providers were charging for certain procedures?

8 COMMISSIONER VOSS: Not that I know of at  
9 the state level. That's why-- At least for the  
10 insurance purposes, let's say the doctor charges  
11 \$500. That would be if you just walked in and paid  
12 cash. They negotiate a discounted rate with  
13 Wellmark, or whoever the carrier is, so it would not  
14 necessarily be the \$500. But, no, there's no  
15 watchdog at the state level to review provider costs.

16 MR. VAN GUNDY: But should not there be?

17 COMMISSIONER VOSS: You should talk to your  
18 legislators about that.

19 MR. VAN GUNDY: You know, we actually have,  
20 and they just referred us to you.

21 COMMISSIONER VOSS: Well, I'm not the  
22 policymaker on that. No, we really don't.

23 MR. VAN GUNDY: If there's a \$500 charge for  
24 something, and Wellmark is contracted to pay 150 of  
25 that, and we throw in 20 percent, I mean there's a

1 huge gap there. Where does that money go? Is that a  
2 loss for them?

3 COMMISSIONER VOSS: That's a loss.

4 MR. VAN GUNDY: And they write it off and  
5 it's a tax write-off?

6 COMMISSIONER VOSS: That's between the  
7 physician and the carrier. But it's not like anybody  
8 gets that. If it's \$500, and they have a network  
9 agreement to pay 350, the doctor is not getting the  
10 additional 150 that they would charge if they were  
11 just charging someone cash for that.

12 MR. VAN GUNDY: Okay. Then where does it go?

13 COMMISSIONER VOSS: It's gone. It's  
14 nonexistent. No one gets it.

15 MR. VAN GUNDY: Okay. Why is there that  
16 column then? Why is there a networking savings column.

17 COMMISSIONER VOSS: I think that's to show  
18 you when it's in network, that's the savings you  
19 would get from the original charge if the doctor was  
20 just to charge and you walked in. That's why  
21 networks have become so important to both.

22 MR. VAN GUNDY: Okay. I guess that's it.  
23 Thanks.

24 COMMISSIONER VOSS: Sure.

25 Is there anyone else at Fort Dodge that

1 would like to speak.

2 MS. SAWYER: I'm Suzanne Sawyer from Fort  
3 Dodge, a long-term policyholder.

4 What I'm frustrated with, and I offer  
5 educational classes five times a week locally here to  
6 educate people, there are disruptive technologies in  
7 science that haven't crossed over to medicine because  
8 the status quo is quite happy with the broken system  
9 that you insurance commissioners, Wellmark and us as  
10 citizens are having to deal with.

11 And I have a scientific DVD that I've tried  
12 to get Wellmark to look at, I'd love if you insurance  
13 commissioners would look at it, that describes a  
14 breaking technology that proves that we can manage  
15 these chronic diseases that are the root cause and  
16 suffering of our citizens.

17 And I'm so frustrated because when I  
18 contacted Wellmark to try to get a connection there  
19 and meet with them in person, I don't get anywhere.

20 Is there no incentive for disruptive  
21 technologies that will solve the health care crisis  
22 to emerge?

23 You know, I realize the medical/pharmaceutical  
24 lobby group is one of the biggest lobby groups in  
25 Washington, and how do technologies that will solve

1 the problem get out to you insurance commissioners  
2 and to big insurance providers?

3 COMMISSIONER VOSS: I know that-- Just  
4 speaking from my information, I know that the  
5 Department of Health and Human Services is working on  
6 some issues in regards to E-health systems that will  
7 assist carriers and the provider community; but  
8 obviously I'm not privy to all that's going on with  
9 that, but I do know that that's at the federal level.

10 MS. SAWYER: Well, my question is, Dr. John  
11 Rollins, who's with--he retired from the U.S. Patent  
12 Office, calls Glyco Nutrients one of the most  
13 important health care discoveries of the 21st Century  
14 and sees it as a way to drive down costs and drive  
15 down demand for health care services.

16 Could I have an address? Could I have a  
17 phone number? Could someone get my phone number?  
18 Could I have a face-to-face meeting with somebody  
19 please, at the insurance commissioner's office or at  
20 Wellmark, please?

21 COMMISSIONER VOSS: Sure. Why don't you  
22 just give me a call at (515)281-5907.

23 MS. SAWYER: Thank you very much.

24 COMMISSIONER VOSS: You're welcome.

25 Anyone else at Fort Dodge?

1 (No response.)

2 Okay.

3 MR. BARNETT: Yes.

4 COMMISSIONER VOSS: I'm sorry. Go ahead.

5 MR. BARNETT: Yes. My name is William  
6 Barnett from Clarion, Iowa, policyholder.

7 The thing about it is that, okay, we all  
8 know that the price of food is going up. We also  
9 know that MidAmerican is talking about raising their  
10 rates, and property taxes might go up, and with all  
11 these things going up, it seems to Wellmark--I have  
12 had at least two to three raises on my insurance just  
13 in the past 2 years.

14 My wife has got an exemption on hers that  
15 was only supposed to last a year, and it's been over  
16 3 years, and it's still on her policy.

17 Now, if they're going to raise rates like  
18 this, then it seems to me like they ought to take  
19 into consideration what they're promising us and keep  
20 up with what they're promising, instead of making us  
21 have to have exemptions that should have already been  
22 taken off.

23 And also they can afford to build a  
24 multimillion-dollar building down in Des Moines, and  
25 give all of their executives all this high pay, and



1 who ends up paying for it? It seems to me like we're  
2 the ones paying for it, and I would appreciate it if  
3 you would consider seriously just totally denying  
4 this increase. Thank you.

5 COMMISSIONER VOSS: Thank you.

6 Anyone else in Fort Dodge?

7 MS. GENTRY: Yes. I'm Lynn Gentry.

8 I'm on a Blue Cross Blue Shield program.  
9 It's called a transitions program for a person coming  
10 from a group policy having to take an individual  
11 because I retired.

12 And over the last year we've had some good  
13 increases in that. I now carry about a \$5800 premium  
14 and am required to have a \$5400 deductible.

15 I'm pretty healthy, and I can tell you there  
16 is no way I'm ever going to meet that deductible.

17 Well, I can't say no way. Heaven's I may  
18 have a heart attack, who knows.

19 But with that, I know that I'm not going to  
20 meet that deductible, and so the out-of-pocket that I  
21 do have occasionally, I go--at the end of the month  
22 I'll be going to my annual doctor's visit, and those  
23 out-of-pocket expenses sometimes get kind of high.

24 I have a son who is self-employed. His wife  
25 is a school teacher. The district does supply

1 individual health insurance for her.

2 He carries an individual policy just in case  
3 something would happen for an injury at work.

4 They've recently had a new son and discovered that  
5 even if he would take what he pays in his policy, add  
6 it to what the school district would pay Blue Cross  
7 for hers, they cannot afford to insure their new son.  
8 They can't afford to cover family insurance.

9 So they are going to go to the Hawkeye  
10 program. And that's pretty hard on my son who prides  
11 himself on being able to pay his bills and to feed  
12 his family, and so I'm encouraging the Commissioner  
13 to deny this rate increase.

14 COMMISSIONER VOSS: Thank you.

15 Anyone else in Fort Dodge?

16 (No response.)

17 COMMISSIONER VOSS: Okay. I think we'll go  
18 to Ottumwa now.

19 Is there anyone in Ottumwa that would like  
20 to speak?

21 MR. FREEDMAN: Yes. My name is it Stuart  
22 Freedman. I've been a single policyholder for 10  
23 years, and I've seen my rate increase well over the  
24 inflationary amounts every year.

25 Right after the Affordable Health Care Act

1 was passed, which, by the way, Blue Cross and Blue  
2 Shield paid millions of dollars to try to defeat,  
3 they somehow found an excuse to raise the rates in my  
4 case 23 percent. I think everybody else will find  
5 that as well.

6 Here's one major reason why I think Blue  
7 Cross and Blue Shield is lying when they say that  
8 they need this rate increase.

9 I recently had a bone fracture due to an  
10 accident this summer, and the amount that the  
11 hospital charged was \$424. The network savings was  
12 \$223.70. So the amount that Blue Cross and Blue  
13 Shield would have paid out should have been about \$200.

14 But the amount that they actually paid was  
15 \$647. Let me repeat that the amount charged by the  
16 hospital was 424. The amount of the network savings  
17 was 223.70. The amount paid by Blue Cross and Blue  
18 Shield was \$647.

19 When I called them, they said the reason  
20 they did that was because that's what they allow.  
21 They're paying more than they needed to, and we're  
22 being charged more than we need to.

23 I ask that the Commission deny their rate  
24 increase. Thank you.

25 COMMISSIONER VOSS: Thank you.

1           Anyone else in Ottumwa?

2           MS. BURTON: Yes, I'd like to speak.

3           COMMISSIONER VOSS: Okay.

4           MS. BURTON: I'm Yvonne Burton. I have an  
5 individual policy. I've had it for 6 years. I've  
6 only used my deductible once.

7           I've been taken off of two prescriptions  
8 since I have been on it but yet my premiums have  
9 doubled.

10           I think it's unfair, and I'd like to see  
11 them not have the raise. Thank you.

12           COMMISSIONER VOSS: Thank you.

13           Anyone else in Ottumwa?

14           MS. WOODENBURG: My name is Norma Woodenburg.  
15 I'm a private policyholder. I'm just looking at what  
16 Wellmark has proposed. They said 62 percent of their  
17 rate increase is proposed simply for profit or retained  
18 earnings.

19           I don't know how many people this year have  
20 received raises, but I know that I'm not one of them.  
21 My employer hasn't given raises for 5 years, and I  
22 can't continue to pay out these kind of rate increase  
23 requests every year.

24           Last year, as other people have said, there  
25 were big increases, and somewhere we have to keep

1 check on how much we're spending.

2 We request--I request that the Insurance  
3 Commission deny their raise in the entirety and ask  
4 Wellmark to tighten their belts just like the rest of  
5 us.

6 COMMISSIONER VOSS: Thank you.

7 Anyone else in Ottumwa?

8 You're going to have to press down on the  
9 button and then speak.

10 MR. BONNETT: I'm sorry. My name is Craig  
11 Bonnett. I'm a policyholder of an HSA since January  
12 2009.

13 Since that time my rates have gone up 30.9  
14 percent.

15 But in checking other quotes for the exact  
16 same policy for a man of my age and health and  
17 nonsmoker, I actually find there's discrepancies in  
18 the policy. Through E-health the rates are \$85 a  
19 month cheaper than what I'm currently paying.

20 That's less than what the policy cost when I  
21 bought it.

22 I don't know why there's that discrepancy,  
23 and I think that's something that should be uniform  
24 for rates.

25 Another thing I have to address is at one

1 time I received a prescription, a product called  
2 Terbinafine, and it cost \$28.75 for a 30-day supply.  
3 My insurance company, Wellmark Blue Cross denied  
4 payment for that, but they would cost share on  
5 another prescription. That cost was \$1600.

6 I paid the \$28.75 out of my pocket. I don't  
7 know if there's collusion among drug companies and  
8 insurance companies, but I think that that's something  
9 should be --

10 (Laughter made the remainder of the  
11 statement indistinguishable.)

12 COMMISSIONER VOSS: Thank you.

13 Anyone else in Ottumwa?

14 (No response.)

15 COMMISSIONER VOSS: All right. I think  
16 we'll move to Red Oak.

17 MS. HOEFER: Commissioner, are we going to  
18 go through all the satellite stations before we come  
19 back --

20 COMMISSIONER VOSS: Yes, because we only  
21 have them for a short time, till 1, so we want to  
22 give them the opportunity then we'll come back.

23 MS. HOEFER: I signed up to speak, and I  
24 have to leave.

25 COMMISSIONER VOSS: Okay. Well, why don't

1 you come on up and we'll let you speak.

2 MS. HOEFER: It's just I don't have much to  
3 say, it's just nobody else has brought it up.

4 COMMISSIONER VOSS: Hold on, Red Oak.  
5 There's a person that needs to leave, and we want to  
6 give her an opportunity to speak.

7 You want to tell us your name.

8 MS. HOEFER: Yes. Do you want me to wait  
9 until I'm over here?

10 COMMISSIONER VOSS: Sure.

11 MS. HOEFER: My name is Tanya Hoefer, and  
12 I'm a 51-year-old wife and mother of two.

13 And I concur with many things that have been  
14 said today. I would like to know why I pay a hundred  
15 dollars more than what I am rated for, age and  
16 healthwise.

17 But the main thing that I wanted to say  
18 today is that I disagree with the proposed rate  
19 increase on the individual block of business. You've  
20 released information--Wellmark has released  
21 information that states 11 percent of this block of  
22 86,000 people incurred 81 percent of the medical  
23 costs.

24 The problem lies in that Blue Cross Blue  
25 Shield isn't blending this block of business with its

1 overall group of individuals.

2           If you truly believe that it is a sound  
3 business principle to average medical costs among  
4 your policyholders, you would be combining this block  
5 with others. You have over a million insureds that  
6 you could blend with.

7           Thank you.

8           (Applause.)

9           COMMISSIONER VOSS: Thank you.

10          Let's go back to Red Oak.

11          Would anyone in Red Oak like to speak?

12          MS. SALDER: Good morning or good afternoon.

13 I am Ann Salder, and I lost my job 2 years ago, and  
14 we're just living off my husband's income. He's a  
15 retired--or not a retired military, he's on  
16 disability, had been in Vietnam.

17          And I think it's kind of high, and I think  
18 you need to go over the policies, I'm an individual  
19 that--what pertains to each person, because I expect  
20 that I'm not going to get pregnant anymore, but kind  
21 of do an individual job what everybody needs to do.

22          And I would like to deny the increase also.

23          COMMISSIONER VOSS: Thank you.

24          Anyone else in Red Oak?

25          COMMISSIONER VOSS: Yes, go ahead.



1 MS. MARTIN: I'm Susan Martin. We have an  
2 individual policy with Wellmark, and what I'd really  
3 like you to consider are all the individuals that are  
4 going to have the 9.35 percent, that's minimum, to  
5 consider denying that based on this increase is going  
6 to force people to no longer carry coverage for  
7 health reasons beyond their control and not being  
8 able to afford a simple 9.35 percent. That is-- Blue  
9 Cross and Blue Shield is not going to go broke, but  
10 this 9.35 percent will break people, individuals that  
11 need health care; and I strongly urge you to please  
12 deny any increase for Blue Cross Blue Shield at this  
13 time. Enough is enough, it needs to stop.

14 That's my comment.

15 COMMISSIONER VOSS: Thank you.

16 Anyone else in Red Oak?

17 AN UNIDENTIFIED SPEAKER: I have another  
18 comment. Why can't we get our prescription at 90  
19 days, and the doctor writes it out and then you go to  
20 the pharmacy and find out you only get them for 30  
21 days?

22 COMMISSIONER VOSS: That's not within my  
23 purview. I don't have as much power as people think  
24 I have sometimes, especially when it comes to drug  
25 coverage.

1           AN UNIDENTIFIED SPEAKER: I'd like to see if  
2 we could read it in the policies what we get first  
3 before we buy the policy.

4           COMMISSIONER VOSS: Is there anyone else  
5 there in Red Oak?

6           AN UNIDENTIFIED SPEAKER: Nope, just the  
7 three of us.

8           COMMISSIONER VOSS: Okay. Thank you.  
9 Thank you for coming.

10          Sioux City.

11          MR. SHANEY: Thank you from Sioux City. I  
12 wanted to kind of start from a different perspective,  
13 a complaint perspective. We are here at school here,  
14 the community college wasn't even aware of the public  
15 hearing that was scheduled. We had to go find the  
16 custodian, the security people, to let us into the  
17 room to even attend, and several other people came by  
18 with the doors locked and left, so there would have  
19 been more people if they had even known that that was  
20 taking place here in Western Iowa Tech Community  
21 College.

22          But that aside, I'll introduce myself as Tom  
23 Shaney. I pay the premiums for my wife's policy. We  
24 previously were covered by the company policy, but  
25 Blue Cross and Blue Shield raised their rates so high

1 that the company had not only dropped that coverage  
2 and switched to another company, when they did  
3 switch, they didn't even offer any more family  
4 coverage, so I had to get an individual policy from  
5 work, and I had to go to Blue Cross and Blue Shield  
6 for an individual one for my wife, and then they  
7 stuck her in a high-risk transitions group with very  
8 high rates, raised her rates 20 percent last year,  
9 and it looks like they want another 10 percent this  
10 year, which is astronomical and well above the cost  
11 of--the rising cost of medicine.

12           And I want to ask and just remind people  
13 that Obamacare, which is increasing government  
14 mandates and regulations, is the reason some of the  
15 insurance people tell me that all the rates are going  
16 up. And as you voters who will be going to the  
17 ballots next fall, just remember who's helping to  
18 raise your insurance rates by more government  
19 regulations and government trying to run the medical  
20 industry.

21           That's all I have to say. And I do have a  
22 voice.

23           COMMISSIONER VOSS: Thank you.

24           Anyone else in Sioux City?

25           All right. Thank you.

1 Spencer, anyone in Spencer?

2 MR. ROGERS: Yes. Can you hear me?

3 COMMISSIONER VOSS: Yes, we can.

4 MR. ROGERS: Yes. My name is Dan Rogers  
5 from Spirit Lake, Iowa. I've been a Wellmark  
6 policyholder since 2005. I just want to state that  
7 any rate increase beyond normal inflation is  
8 inexcusable at this time.

9 And I would just ask that the Commission  
10 deny the requested rate increase. Thank you.

11 COMMISSIONER VOSS: Thank you.

12 Anyone else in Spencer?

13 (No response.)

14 COMMISSIONER VOSS: All right. Waterloo.

15 We're back at Spencer.

16 MS. LEMKE: My name is Joyce Lemke.

17 COMMISSIONER VOSS: All right.

18 MS. LEMKE: And when my husband retired a  
19 few years ago, I had to get an independent policy.  
20 Like many others have said, the price is exorbitant.  
21 I looked for other policies outside of Blue Cross  
22 Blue Shield, and because I've had cancer twice, I  
23 could not get anything else, so I feel really caught.

24 And as everyone has said, the prices  
25 continue to go up.

1 I felt that letter that was sent was very  
2 vague about why the increase was needed, and I hope  
3 that you will consider not raising at all, and I hope  
4 this meeting is more than just a formality. Thank  
5 you.

6 COMMISSIONER VOSS: Thank you.

7 Okay. Let's go to Waterloo.

8 Waterloo?

9 MS. HAGER: Yes, can you hear me okay?

10 COMMISSIONER VOSS: Yes.

11 MS. HAGER: I'm Theresa Hager, and this is  
12 just kind of a little input for some things. I know  
13 at one time my son had an injury playing basketball,  
14 and he actually dislocated his finger, and when he  
15 was taken to the health care area, they pulled his  
16 finger and put just something on it to keep it straight.

17 Anyhow, I got the bill later on, it was over  
18 \$600.

19 Now, when I saw that, it said that he had  
20 surgery. So I called and asked what the deal was  
21 that he had surgery. My comment here is for  
22 everybody else, you watch your coding because  
23 sometimes they put different codes on there. And  
24 when I called, I went to the dictionary, and I  
25 explained to them what coding--or what surgery was,

1 and that is puncturing their skin.

2 I said, "Now, you did not puncture his skin.  
3 You pulled his finger." For \$600, I said you go  
4 ahead and take me to--go ahead and charge me because  
5 I was not going to pay that.

6 It took me 10 months between calling  
7 Wellmark and calling the doctors, and finally it got  
8 down to it where they miscoded it.

9 So what I'm telling everybody here is you  
10 watch your coding. And it took 10 months for me to  
11 finally get that through to them that they coded it  
12 wrong.

13 That is one thing that I wanted everybody to  
14 check.

15 Another thing is for those of us who do not  
16 use our care, which in our case we are self-employed,  
17 we have our own company, and we also farm. We do not  
18 carry--or we do not go to the doctor at all, only  
19 once a year, and it's for our physical.

20 Now, for those of us who do not use the  
21 insurance, where are some form of discounts? We do  
22 write P & C insurance, and if they don't use their  
23 insurance, they get discounts. You don't use it, you  
24 get a discount back. Why can't that be put into some  
25 of these forms here?

1 COMMISSIONER VOSS: Thank you.

2 Is there anyone else there in Waterloo?

3 All right. I think our last site is West  
4 Burlington.

5 Well, I didn't exactly draw a crowd there,  
6 did I?

7 All right.

8 All right. Well, we will go back to the  
9 folks here in Urbandale, and on the list I have Kris  
10 Clements.

11 MS. CLEMENTS: I'm Kris Clements. My  
12 husband and I have been individual policyholders for  
13 17 years.

14 Currently right now we are paying \$1,487.80  
15 a month for my husband and I and our two children.

16 That computes to almost 18,000 a year in  
17 insurance policies--or in insurance premiums.

18 If this rate increase goes in, that's going  
19 to take us well into \$1800 a month for our premium,  
20 which that is probably going to push us close to  
21 20,000 a year for the policy premium, and that's on  
22 top of what we already pay for copays or in our  
23 prescription charges.

24 Unfortunately, yes, my husband and I are on  
25 a couple of medications. I'm thankful I do have a

1 prescription card, but something has to be done.

2 When I am paying more a month for a premium than some  
3 people even make, there is something seriously wrong  
4 with that.

5 I don't--I don't know what the answer is. I  
6 don't know if there's something that can be done as a  
7 reasonable cap; but I tell you what, I think everybody  
8 else here too, when I see that envelope come from  
9 Wellmark, and I know it's not an EOB, I know I'm getting  
10 notice that we're going to have another increase.

11 And I would respectfully request that the  
12 increase be denied. Thank you.

13 COMMISSIONER VOSS: Thank you.

14 Eric Hedberg.

15 MR. HEDBERG: Hi. I'm Eric Hedberg from Des  
16 Moines. I'm also a business owner and have had a  
17 family policy with Wellmark since the mid-Nineties.

18 Our rates are now up to almost \$22,000 a  
19 year, of which, you know, I very seldom use the  
20 policy, but my wife's had to use the policy quite  
21 often, and I'm sure that's a big portion of it. You  
22 know, right now I'm in the construction business, and  
23 my business has been doing pretty well through all  
24 this. You know, I'm able to pay my bill, and we pay  
25 it every month.



1           Of course, my concerns are when either I  
2 can't pay or when I need to trade and go to a  
3 different company or something, I'll never be able to  
4 get coverage for my family and my wife in particular.

5           And those are the concerns I've got, let  
6 alone for the young people coming up that are in this  
7 job market are lucky to even get a job, let alone one  
8 that pays health care.

9           It's, you know, it's just kind of--it's the  
10 same almost industrywide, you know, and talking about  
11 deregulation, that's what really got us to this thing  
12 to begin with, in my opinion, is deregulation, not  
13 trying to turn it into a political battle here.

14           But, I'm sorry, these rates have been going  
15 up since 1995, and it didn't start just going up in  
16 the last 3 years or so, you know. This has been  
17 going on forever, and to talk about deregulation  
18 seems to me like going back to the Stone Age we've  
19 been living in for the last 10 years. Thanks.

20           COMMISSIONER VOSS: Thank you.

21           MR. HEDBERG: Yeah.

22           COMMISSIONER VOSS: Sharon Myers.

23           MS. MYERS: Yes. My name is Sharon Myers.  
24 I've heard a lot of testimony-- Thank you. My name  
25 is Sharon Myers, and I've heard a lot of testimony

1 today that I agree with.

2           Some of you people are paying more in your  
3 premiums than I make because I am on Social Security,  
4 and my heart really goes out to you. I thought I had  
5 a problem with a 16 percent increase that they've  
6 already told me I'm going to be paying next year.

7           So when they say this 9 1/2 half percent,  
8 that's only an average as far as the information  
9 goes.

10           And I do want to make sure, if I may, to say  
11 that what I read in the Des Moines Register on  
12 Friday, the 9th, it stated in there that scores of  
13 people last year aired their complaints in a pair of  
14 hearings about the company after they wanted to raise  
15 premiums by 11 percent.

16           It says "Insurance Commissioner Susan Voss  
17 later decided to trim the company's requested  
18 increase from 2011 to 8 1/2 percent. She said her  
19 decision was guided mainly by two reviews from expert  
20 actuaries not by the hearings."

21           I'd like to know who the actuaries are.

22           COMMISSIONER VOSS: We have an in-house  
23 actuary, and then we hire actuaries on a rotation  
24 basis that do not have a conflict with Wellmark Blue  
25 Cross Blue Shield.

1 MS. MYERS: Okay. Thank you. I appreciate  
2 that.

3 And also, it stated that "Wellmark leaders  
4 pointed to a 2009 industry report showing that Iowans  
5 with individual plans paid much lower premiums than  
6 counterparts in many other states.

7 "Of 29 states studied, Iowa had the lowest  
8 premiums for single people with such policies. The  
9 average annual premium here in Iowa was \$2,606. The  
10 median annual premium was about 3,200. And the  
11 highest in New York was 6,630."

12 I find that quite a bit different than what  
13 I'm hearing today, and I don't quite understand that.

14 And what about the other 20 states, why  
15 weren't they mentioned? Are they quite a bit lower?

16 COMMISSIONER VOSS: That I don't know. I  
17 don't know who did that study. That's coming from  
18 Wellmark. That's not our study.

19 MS. MYERS: I appreciate the time you've  
20 given me. Thank you.

21 COMMISSIONER VOSS: Sure. Thank you.

22 Tim Brien.

23 MS. BRIEN: Thank you, Madame Commissioner.  
24 All my concerns have already been expressed, so I  
25 yield.

1 COMMISSIONER VOSS: Okay. Thank you.

2 Terry Turner.

3 MR. TURNER: Hi. My name is Terry Turner.

4 I'm a single father, and I've been with Blue Cross  
5 Blue Shield since '99. And if my premium is going to  
6 keep raising up, I'm going to have to seek elsewhere  
7 on insurance. I cannot afford it.

8 COMMISSIONER VOSS: Okay. Thank you.

9 Shelley Asberry.

10 MS. ASBERRY: That's me. And the same with  
11 this gentleman, it's been answered. Thank you.

12 COMMISSIONER VOSS: Thank you.

13 Sonya Van Deer.

14 MS. VAN DEER: Can I use this one?

15 COMMISSIONER VOSS: Sure.

16 MS. VAN DEER: Hi. I'm Sonya Van Deer, and  
17 my husband Noel and I have two children. They are in  
18 college. And when Noel suffered a very rare form of  
19 encephalitis, it left him a quadriplegic. I'm a  
20 nurse by trade, but to keep him at home and be a  
21 family, I elected to not work and take care of him.

22 We are on a very fixed income. Our two  
23 children, one of them was recently on Hawkeye.  
24 Because of his age we had to take him off that.

25 He was supposedly going to be \$64.50. We

1 got notice that he was going to be added on to the  
2 policy at \$84. Very healthy. He has nothing wrong  
3 with him.

4 Noel has also an individual health care plan  
5 that will increase from Blue Cross Blue Shield.

6 Given that increase and adding our son on to  
7 our policy, we will be paying almost a thousand  
8 dollars a month.

9 I am so humbled by everybody's story, and I  
10 applaud their courage to get up here and talk about  
11 their individual situations; but I can tell you that  
12 if this goes through, we won't have insurance. Thank  
13 you.

14 COMMISSIONER VOSS: Don Lincoln.

15 MR. LINCOLN: Good morning. And I first  
16 would like to say that I appreciate the opportunity  
17 to have a voice here today, and everyone here  
18 involved with taking the time on a Saturday to give  
19 us a voice. It seems like sometimes when you're in  
20 this individual situation you don't always have a  
21 voice.

22 My name is Don Lincoln. I hail from the  
23 great city of Madrid. I am an individual contractor,  
24 and I sell real estate insurance for a living.

25 The last time I was in the hospital was

1 November 29th of 1955. That was the day I was born.  
2 I haven't been back, and I feel very blessed about  
3 that.

4           However, I'm here today to kind of--I feel  
5 like they're not really being fair with us as far as  
6 individual policyholders.

7           Most of the information I get I read in the  
8 newspaper, and what I'm seeing is it seems like it's  
9 always increases for the individuals. Now, whether  
10 they're not publishing increases for large pools of  
11 employers, that type of thing, I do not know; but it  
12 seems to me like it's easier for them to put the  
13 burden on the individual policyholders rather than  
14 large pools of people.

15           I also read the article in the *Register*  
16 yesterday, and I found out some things that I didn't  
17 know, such as the average annual premium is \$2,606.

18           I currently pay \$6,024.60 for my individual  
19 policy a year. That I think calculates out to about  
20 2 1/2 times that average.

21           The other thing that jumped out at me was  
22 that the highest is New York City, which is paying  
23 \$6,630.

24           I am currently about \$300 above what they're  
25 paying in New York City.

1 I don't know if any individuals from  
2 Wellmark have been in Madrid recently, but the danger  
3 of me getting hit by a taxicab or getting mugged are  
4 relatively small. So the risks between New York City  
5 and Madrid, I'm not understanding that.

6 I feel like I am actually being somewhat  
7 discriminated against because I am a healthy person.  
8 I have made good health choices during my lifetime.  
9 I do not smoke. I do not drink. So why am I paying  
10 more than somebody in New York City or maybe somebody  
11 in a pool that has those particular bad habits that  
12 are causing themselves health problems?

13 You know, also in the article it said that  
14 we've had increases every year. The article went  
15 back to 2006. I added it all up. Since 2006 it's a  
16 62.5 percent increase.

17 The proposal--if the proposal goes through,  
18 since 2006 it will be 71.85 percent or an average of  
19 10.4 percent a year. I don't think anybody in this  
20 room has got a 10.4 percent wage increase here recently.

21 I'm also kind of projecting ahead. You  
22 know, someday I would like to retire, but with this  
23 current 10 .4 a year, by the time I'm 66, I'm going  
24 to be paying over \$12,000 a year for my health care.

25 And I've heard some, you know, rumblings and

1 grumblings about what the CEO makes there. At his  
2 current projection of raises, he's going to be making  
3 over 5 million a year by the time I'm 66.

4 I guess what I'm asking, I'm actually  
5 challenging the people that are setting the salaries  
6 at Wellmark. You know, I don't care if they make  
7 that much. If they've got the education, if they've  
8 got the credentials, that's fine with me; but I'm  
9 challenging the people that are okaying those  
10 salaries to tell their employees to come up with a  
11 program for somebody like me who does not have health  
12 problems and get me in a pool where I can survive,  
13 because right now I'm in a pool where I'm treading  
14 water, and I can tell you that's one thing I never  
15 learned how to do was swim, so I'm in trouble here.

16 Those are some of my concerns. I'm just  
17 asking you to please deny this thing. At some point  
18 in time it appears to me that--and history has proven  
19 this, that since 2006 they're going to get some kind  
20 of a raise. I mean it just seems automatic that it's  
21 going to happen. It has happened. So I'm asking you  
22 to please tell them no for one time, please. Thank  
23 you very much.

24 COMMISSIONER VOSS: Thank you.

25 (Applause.)



1           COMMISSIONER VOSS: I think we're at the end  
2 of the people that signed up that wanted to speak.

3           Is there anyone else in this room?

4           MS. CLEVELAND: I'll make this quick. My  
5 name is Ellen Cleveland, and I've been a policyholder  
6 with Wellmark Blue Cross Blue Shield since 1993. And  
7 my husband and I have our own business. He has a  
8 Medicare supplement, so I've always just had an  
9 individual policy.

10           My premium right now is \$1058 a month before  
11 it goes up, and my deductible is 1600, and if I hit  
12 that, I pay almost \$14,000 just for the basics. And  
13 I think I've been healthy. I've spent one night in  
14 my life in a hospital. I think a lot of that is not  
15 virtue but just good fortune because there are many  
16 things out there like autism, spectrum disorder or  
17 multiple sclerosis or cancer that don't have to do  
18 with bad behavior by policyholders.

19           But my concern is I'm in a pool that is 18  
20 years old, and when I've tried to get a better rate,  
21 they've said, "Well, you're in an aging pool." But  
22 someone else who is my age that would apply for  
23 insurance at Wellmark would end up paying a whole lot  
24 less than me, because I've had several friends that  
25 have done that. So I guess my question is, why am I

1 a long-term customer of 18 years and penalized by  
2 being in an aging pool?

3 COMMISSIONER VOSS: Thank you, Ellen.

4 Is there anyone else yet?

5 Tell us your name.

6 MS. REZNACHEK: My name is Jessica Reznachek  
7 I'm from here in Des Moines. I just kind of have a  
8 question to ask Wellmark as well.

9 I actually went through-- I was insured by  
10 Wellmark for 5 years, and then I could no longer  
11 afford it because the rates kept increasing, and when  
12 I started at Simpson college, I was required--it was  
13 mandatory to attend that college to be insured.

14 Now, the college offered us First Health  
15 Insurance. This is in no way government subsidized  
16 insurance. I paid a thousand dollars a year to be  
17 insured through First Health, and I continue each  
18 year to pay a thousand dollars.

19 Now, why is it that Wellmark needs to  
20 increase their rates but First Health doesn't?

21 COMMISSIONER VOSS: Okay. Thank you.

22 Yes.

23 MS. FUMETTI: I'm Joan Fumetti, and I'm a  
24 long-time individual policyholder with Wellmark, my  
25 husband and myself.

1           We just moved to town a week ago, and I've  
2           been very troubled about the kind of business  
3           practices that I've seen in banks but was pleased  
4           that I could find a credit union from the  
5           not-for-profit sector as my financial institution.

6           I really have concern. I come out of the  
7           nonprofit sector, most recently working for an  
8           organization that worked on world hunger issues and  
9           before that as a parish pastor, and I know that  
10          there's great leadership in the nonprofit sector, and  
11          the people I know in leadership in the nonprofit  
12          sector, if they were given a salary commensurate with  
13          what the CEO of Wellmark is given, they'd give at  
14          least half of it back.

15          It's not a matter of good leadership not  
16          being there. It's fine-- I just-- I think we need a  
17          robust not-for-profit option.

18          And so I would ask you to deny the increase  
19          requested, especially in this climate any increase  
20          that has to do with profitability of Wellmark as a  
21          company. And I would invite the CEO of Wellmark to  
22          give back at least half his salary as a good faith  
23          gesture to show that the insurance company does have  
24          some compassion for those of us who have gathered  
25          today.

1           This has been very powerful being at this  
2 meeting and the stories and very, very humbling, and  
3 we're all trying to do the right thing, and I think  
4 that we need a partner on the other side in Wellmark  
5 that's trying to do the right thing. So thank you.

6           (Applause.)

7           COMMISSIONER VOSS: Thank you.

8           Is there anyone else who would like to  
9 speak?

10          AN UNIDENTIFIED SPEAKER: I have a question.  
11 Can you please answer how long this will be extended  
12 to?

13          COMMISSIONER VOSS: Well, I think we're down  
14 to the last few people here in Urbandale, and then I  
15 believe Wellmark wants to address the group.

16          Yes, Sir.

17          MR. PITMEYER: My name is Paul Pitmeyer, and  
18 I just have a couple of questions.

19          It seems like we just got a notice for an  
20 increase because we're getting older.

21          Now, they're going to put another-- I'm  
22 sorry.

23          COMMISSIONER VOSS: Does anyone else want to  
24 address the group, or we'll stick around afterwards,  
25 and if people want to, you can talk to us individually.

1 Angel Robinson is here, and I'm here and the first  
2 deputy.

3 AN UNIDENTIFIED SPEAKER: Will Wellmark  
4 address our questions?

5 COMMISSIONER VOSS: I believe they want to  
6 make a statement, and we'll see if they're willing.

7 AN UNIDENTIFIED SPEAKER: Where are you?

8 COMMISSIONER VOSS: Hold on a second. Can  
9 you hold on one second.

10 I believe Wellmark is going to want to  
11 address the group, and we'll leave it up to them if  
12 they want to--how many questions they want to answer.

13 AN UNIDENTIFIED SPEAKER: I think we've paid  
14 for the questions and the answers, and I think that  
15 should be directed.

16 (Applause.)

17 COMMISSIONER VOSS: Ms. Jackson, before you  
18 come up, I want to see if there's anybody at any of  
19 the other sites that has any more comments they want  
20 to make?

21 Waterloo?

22 AN UNIDENTIFIED SPEAKER: This is the first  
23 time I've ever had a notice of public hearing. Is  
24 this the first time that this has happened?

25 COMMISSIONER VOSS: This is the second time.

1 We had one last year. Did you have an individual  
2 policy last year?

3 AN UNIDENTIFIED SPEAKER: Yes, we did.

4 COMMISSIONER VOSS: Okay. You should have  
5 had one. In fact, we had two public hearings last  
6 year on the Wellmark increase. There was one that  
7 was held in Des Moines, and then we had one over the  
8 Internet--not the Internet, over the ICN.

9 So the law says that if the rate increase is  
10 over the medical inflation rate for that year, then  
11 we're required to have a public hearing, and last  
12 year was the first year we did that.

13 Are there any other comments from any of the  
14 other sites?

15 AN UNIDENTIFIED SPEAKER: This is Cedar  
16 Rapids.

17 COMMISSIONER VOSS: Yes.

18 AN UNIDENTIFIED SPEAKER: Is Wellmark going  
19 to be allowed to address the group so that we can all  
20 hear before you lose the connection?

21 COMMISSIONER VOSS: Yes. In fact, they're  
22 going to come up right now.

23 I'm going to ask Laura Jackson from Wellmark  
24 to come up.

25 MS. JACKSON: Thanks, Commissioner Voss.

1 First of all, I want you all to know I wasn't hiding  
2 back there. I really truly came to listen today.

3 MULTIPLE UNIDENTIFIED SPEAKERS: We cannot  
4 hear back here.

5 MS. ROBINSON: The problem is the  
6 microphones here in the origination site have to be  
7 turned down. Otherwise our remote sites will get a  
8 lot of feedback, and they won't be able to be heard.  
9 So everybody speaking here at the origination site  
10 needs to speak up in volume, and they also need to  
11 use the microphone in order for the remote sites to  
12 hear them. Thank you.

13 MS. JACKSON: If I look this way, Angel,  
14 will that work?

15 AN UNIDENTIFIED SPEAKER: If it's not  
16 working can't she stand and face us?

17 COMMISSIONER VOSS: You have to hold this  
18 and press down. It's almost like walking and chewing  
19 gum and riding a bike all at the same time.

20 Here, why don't you use my microphone.

21 MS. JACKSON: If I talk like this, can you  
22 hear me back there? No? I'm going to try.

23 So, first of all, my name is Laura Jackson.  
24 And I actually do work for Wellmark, and I really  
25 wanted to sit and listen today.

1           I want to tell you a little bit about what I  
2 do at Wellmark so you have a context of my role, but  
3 what I first want to say to all the remote sites is  
4 that I'm sorry that we didn't have a Wellmark  
5 representative at your site. We should have in  
6 hindsight, but it was really about you being able to  
7 voice your concerns, not us being able to defend our  
8 position. So I apologize. That's a good lesson for  
9 us.

10           But here's who I am. So, as I said, I'm  
11 Laura Jackson, and I grew up in Manchester, Iowa, so  
12 I didn't come from out of state. I didn't come from  
13 a big city. I came from a very small family, and I  
14 care about this state, and I also care about all the  
15 stories that I heard from you here today.

16           My role at Wellmark, after working through,  
17 you know, kind of growing up in this state, thinking  
18 I could go someplace else and, you know want to live  
19 a different lifestyle, this is where I wanted to come  
20 back to.

21           So the role I have today inside Wellmark is  
22 I actually work with physicians and hospitals to  
23 actually contract for the negotiated rates that I  
24 heard some of you reference; and I also oversee our  
25 care managers. So there are nurses that we employ



1 inside Wellmark that help you as policyholders. When  
2 you encourage--or when you incur, rather, you know,  
3 something that's really tragic to your health, we  
4 have nurses that try to help you through the  
5 situations. So that's a little bit about what I do.

6 Another challenge that we have faced as a  
7 company is really well over a decade ago we started  
8 understanding that the increase in the cost of health  
9 care is absolutely unsustainable. So I have friends  
10 and family that are individual policyholders in this  
11 state as well, and I'm going to sit with them at the  
12 holidays, and I'm going to hear some of the very same  
13 stories that I heard here today, and I took a lot of  
14 time and energy to just try to anticipate what it  
15 would feel like just hearing you all speak, and I  
16 really wanted to understand what was going on in  
17 individual policies and really why the increase is  
18 necessary.

19 So if you're open to it, I would like to  
20 just really address maybe three categories, and then  
21 I did take copious notes, and with the Commissioner's  
22 permission, I'll address as many of those as I can in  
23 kind of the three buckets, but then I will talk  
24 specifically about certain things.

25 But what I would also offer is a colleague

1 of mine Courtney Greene is in the back. She and I  
2 are here. We'll stay as long as you want us to after  
3 this, and I would be happy to talk to each of you as  
4 individuals. If there are things you want to talk  
5 about specific to your policy, my commitment to you  
6 is if I don't have the answer, I'll get the answer  
7 for you.

8           So can you still hear me back there? Am I  
9 not doing so good? I apologize. I'll try to talk  
10 louder.

11           So, first of all, a lot of what I heard here  
12 today is the frustration around really the way  
13 insurance works.

14           As you think about insurance, it is really  
15 people paying money into a pool, and unfortunately  
16 when you look at how insurance works, everyone pays  
17 into a pool. And I think someone here today referenced  
18 the fact that individual policyholders paid into a  
19 pool. And you're right, there's 86,000 of you Iowans  
20 that paid into this pool.

21           So when we step back and look at really how  
22 claims were incurred last year, people used services,  
23 there were about 20,000 individuals who never went  
24 and sought services. They did not file a claim with  
25 us.

1           So if I'm one of those policyholders, I  
2 completely understand why you're frustrated.

3           The flip side of that is there's about a  
4 little less than 10,000 Iowans that consumed about  
5 \$175 million in care, or 81 percent of the total  
6 claims that we paid out.

7           So there's that middle group that used maybe  
8 some services but maybe not everything that, you  
9 know, that they had paid in. So the frustration is  
10 in some cases there are many of you that are paying  
11 your premiums, but it took 400 Wellmark members to  
12 pay their premiums, use no services, to pay for one  
13 prematurely born baby. So hopefully that gives you  
14 context.

15           Another example, we have seen a lot of folks  
16 unfortunately experience leukemia. It takes 350  
17 policyholders to pay their premiums, use absolutely  
18 no services, and to pay for somebody who's enduring  
19 leukemia treatments.

20           So hopefully that helps to understand when  
21 you all pay into a pool, you may be helping someone  
22 down the road that you don't even know. And I'm not  
23 sure that that's always easy to grasp, because health  
24 care is personal, health insurance is personal, and I  
25 completely understand that even a \$5 increase for

1 some individuals is going to change their life, and  
2 that's not what we intend to do at Wellmark.

3 Our goal has been and continues to be trying  
4 to reduce the rate of increase in health care cost.  
5 If this wasn't a big deal, you guys, it would not be  
6 talked about at the national level at the speed and  
7 really transformation that it is right now.

8 So I don't know how to convey my empathy. I  
9 don't think there's anything personally that I can  
10 say to you today that's going to take the sting out  
11 of any rate increase.

12 What I can tell you is, I believe I work for  
13 a really--you know, a company that has high  
14 integrity. And so the question might be what do you  
15 think we're doing about it?

16 We are working very closely with doctors and  
17 hospitals across the state to try to bring down the  
18 rate of increase. So when people actually need those  
19 services-- I heard people talk a lot about, you know,  
20 charges versus what's paid and what's negotiated, and  
21 for a long time we have tried to work with physicians  
22 and hospitals to bring down that increase. And so  
23 you heard I think an individual physician talk about  
24 they're only seeing an increase in the cost of our  
25 services go up about 1 to 2 percent a year. And

1 that's because what we have tried to do to keep costs  
2 low in Iowa and South Dakota, because we insure folks  
3 in South Dakota as well, we have actually tied the  
4 cost of a service and the percent increase for physicians  
5 and hospitals going forward to the consumer price  
6 index or generally inflation if you will.

7 But that said, people are using more and  
8 more services every year, and that is the piece that  
9 we all have to work on.

10 So when you think about an individual doctor  
11 or an individual person, even like myself, what we  
12 are really trying to do is figure out how we get  
13 everybody in this game to figure this out, because if  
14 people have the unfortunate event of having a serious  
15 illness, you want to have insurance. That's what  
16 it's for. But it's going to take all of us to fix  
17 this problem.

18 So I'm going to pause there really with my  
19 comments, but I'd be happy to try to address some of  
20 the individual questions that I heard.

21 AN UNIDENTIFIED SPEAKER: What did Wellmark  
22 Blue Cross--

23 THE COURT REPORTER: I need your name. Ma'am, I  
24 have to have your name before you start speaking.

25 MS. Le BLANC: My name is Alison Le Blanc.

1 I'd like to know what Wellmark did with our increase  
2 last year.

3 And, Commissioner, why did you grant that  
4 increase?

5 COMMISSIONER VOSS: We had two actuarial  
6 studies. We reviewed those studies. Both of them  
7 were actually lower than the amount that Wellmark  
8 requested. Based on the medical loss ratio and where  
9 those costs were coming, we felt that an increase was  
10 prudent but not at the level that Wellmark had requested.

11 Now, just for your information going  
12 forward, based on the new federal law, insurance  
13 companies are going to have to post their medical  
14 loss ratios going forward; and as you know, they are  
15 required to at least have an 80 or 85 percent medical  
16 loss ratio, meaning that for every dollar of premium,  
17 at least 80 cents of that has to go for medical  
18 claims. And those will be filed with our office, and  
19 you'll be able to see exactly what every insurance  
20 carrier in the state that sells health insurance is  
21 using for those premiums and how those are being  
22 allocated, so that there actually will be an  
23 additional review or an information that you can see  
24 to see where those premium dollars are going.

25 So for every dollar, they can't use more

1 than 15 cents for any kind of administrative costs,  
2 rates--I mean bricks and mortar, salaries, paper, any  
3 of that.

4 AN UNIDENTIFIED SPEAKER: If you relied on  
5 the studies on which to base your decision, why are  
6 we here today? Why are we holding these public  
7 meetings if by what you just said you didn't take our  
8 comments and our concerns.

9 COMMISSIONER VOSS: Well, I did take your  
10 comments, along with that and the actuarial studies.  
11 I did not give them the full increase they asked for.  
12 It was not justified.

13 We're required by law any time there is a  
14 rate increase above the medical inflation rate to  
15 hold a hearing, hire an independent actuary to review  
16 the rate, have our actuary in-house review it. We  
17 take all that into consideration and review and then  
18 make a determination. This will be the second year  
19 that this law has been in effect.

20 And Wellmark to this point has been the only  
21 carrier that we've had these reviews for.

22 AN UNIDENTIFIED SPEAKER: Why is that?

23 COMMISSIONER VOSS: Well, they do have the  
24 largest book of business in the state. Most of the  
25 carriers that we have have a rather small amount, and

1 the medical inflation rate was 6.1, and some carriers  
2 had their rate increases just a little below 6.1.

3 AN UNIDENTIFIED SPEAKER: It seems to me the  
4 larger the pool, the lower the rates should be.  
5 There are smaller companies that pool less that have  
6 lower rates.

7 COMMISSIONER VOSS: Actually we're seeing  
8 carriers that had a smaller pool have difficulty  
9 meeting the medical loss ratios of 80 and 85 percent.  
10 So it's not necessarily accurate that the larger pool  
11 that you might have a lower cost. It depends on what  
12 your book of business is. If you have more healthy  
13 lives, and have a smaller pool, you might not see  
14 those rate increases.

15 AN UNIDENTIFIED SPEAKER: What was the last  
16 comment you made?

17 COMMISSIONER VOSS: It's often based on your  
18 book of business. If you have a lot of healthy  
19 lives, you may not see those same types of medical  
20 losses.

21 MS. MYERS: Sharon Myers is my name. Why is  
22 it that Wellmark/Blue Cross Blue Shield is allowed to  
23 delay this decision after the date of December the  
24 8th when people are supposed to be able to, who are  
25 on Medicare like me, make a decision as to what



1 insurance company they want to go with, and that  
2 would apply to the premiums?

3 I don't understand why they are allowed to  
4 wait until December the 9th to make the announcement  
5 of a 9 1/2 percent increase average.

6 COMMISSIONER VOSS: Well, the rate goes into  
7 effect next year. We had to give them a proper  
8 notice for the rate increase and the hearing, so we  
9 set the actual date today.

10 We hope to have a decision by the end of the  
11 year because we have the independent actuarial study  
12 that we haven't received yet.

13 So if you're asking why it's taken so late,  
14 it's because of the time we got their proposed rate  
15 increase, we have to have them send the notice out to  
16 everybody, set up the sites, hire the actuary.

17 MS. MYERS: Is there a chance that if they  
18 want a rate increase next year, can it be set up  
19 before that deadline?

20 COMMISSIONER VOSS: It depends when they  
21 file that proposed rate increase.

22 AN UNIDENTIFIED SPEAKER: Yeah, exactly.

23 COMMISSIONER VOSS: Well, we don't have any  
24 authority to tell them.

25 AN UNIDENTIFIED SPEAKER: Maybe she can

1 answer that.

2 MS. JACKSON: So when we file a rate  
3 increase, it's when we have literally gotten in all  
4 the claims that we need to look back on a period of  
5 time to then look forward and establish a rate. So  
6 it's really a matter of our actuaries spending time  
7 with the data and understanding what claims were  
8 incurred, how much money was taken in, and then  
9 trying to look at the health of those policyholders  
10 and what kind of services they may use in the future.

11 And so that's really what goes into establishing  
12 that rate. And we don't-- We don't wait. It's an  
13 exercise that happens every year. So we file it as  
14 soon as we are able.

15 AN UNIDENTIFIED SPEAKER: I have a suggestion--

16 AN UNIDENTIFIED SPEAKER: Question from Red  
17 Oak.

18 COMMISSIONER VOSS: Go ahead Red Oak.

19 AN UNIDENTIFIED SPEAKER: Yes, I have a  
20 question. If the gross average rate is 6.1, why is  
21 Wellmark asking for a minimum of 9.35 percent  
22 increase? That blows me away.

23 COMMISSIONER VOSS: The 6.1 is in a statute.  
24 That's the-- The law says that if the rate increase  
25 is above the medical inflation rate, not the

1 insurance rate increase, the medical inflation rate,  
2 the average cost of medical costs, then we are  
3 required to have a hearing.

4 So it's a figure that was-- It was legislation  
5 to determine a base at which point then we would look  
6 for additional rate review and a rate hearing. So  
7 they're not exactly tied together.

8 Does that make sense what I just said?

9 So we're not talking about the average  
10 insurance premium at 6.1 percent. We're talking  
11 about health care costs inflation rate of 6.1 percent.

12 AN UNIDENTIFIED SPEAKER: Okay. Thank you.

13 AN UNIDENTIFIED SPEAKER: But why tack on it?

14 MR. TEMPLE: I'm James Temple from Des  
15 Moines, Iowa, and I would just like to ask--would  
16 like to know the answer to not having a large enough  
17 pool of healthy people to pay for the unhealthy that  
18 are consuming most of the resources.

19 MS. JACKSON: So I would tell you my biggest  
20 fear is what I heard here today, which is what I  
21 expected, is the people that didn't use a lot of care  
22 because they didn't have any claims and they are  
23 healthy--

24 AN UNIDENTIFIED SPEAKER: I can't hear you.  
25 I'm sorry.

1 MS. JACKSON: I think the question was, you  
2 know, what are we doing because there's not enough  
3 people that are not using services to pay for those  
4 that are in the future. My biggest fear is in the  
5 future, those of you who haven't used services, if  
6 you drop health insurance, it will constrict the  
7 pool, and if we continue to use services at the rates  
8 that we are, rates will go up. So we have to look at  
9 this, and we have to look at it very differently.

10 Is that what you meant?

11 MR. TEMPLE: Well, actually I have an  
12 answer. I believe the answer would be universal  
13 access single payer. Put everybody in the pool and  
14 end corporate greed. That is the answer.

15 (Applause.)

16 COMMISSIONER VOSS: Other questions?

17 MS. VANKO: I'd like to know how much profit  
18 Blue Cross Blue Shield made last year.

19 MS. JACKSON: I don't know that I know the  
20 answer.

21 MS. VANKO: Oh, of course you need to know  
22 that. Very, very important. How convenient not to  
23 know. Because Blue Cross Blue Shield could take that  
24 extra cost out of profit, but that's never been discussed.

25 MS. JACKSON: So just to back up. I think

1 somebody asked a question about a mutual company, so  
2 Wellmark is a mutual company, and so what that means  
3 is we are owned by our policyholders.

4 MS. VANKO: You're still making profit though.

5 MS. JACKSON: Okay. I'll finish, I promise,  
6 and it's a fair question. What we do when we look at  
7 how we run our business is we operate to try to seek  
8 about a 2 to 3 percent operating margin, and what  
9 that means is we use those dollars to either put  
10 those into reserves or reinvest in the business.

11 So a lot of what I hear you say, at least a  
12 handful of you, what are you doing to try to create a  
13 different kind of insurance product to incent us to  
14 stay healthy? What are you doing to create educational  
15 tools so I know where to go to get good care?

16 So when we actually have any profit, what we  
17 do with that is we reinvest it in our business or we  
18 set it aside in our reserves, so in the event there  
19 is a group of policyholders who used more services  
20 than they paid in, we actually have the ability to  
21 pay the physicians and hospitals for care.

22 MS. VANKO: You know, this sounds really,  
23 really nice and of course she would state it, but I  
24 don't believe it. They could do an austerity plan.  
25 She could cut her salary. The CEO could have been

1 here, which would have been more appropriate, and he  
2 could take a salary cut. Where are those austerity  
3 measures from Blue Cross Blue Shield?

4 I'm sorry, you're not the right person to be  
5 here today. You're the talking head. We need  
6 someone that has more power. Thank you.

7 (Applause.)

8 COMMISSIONER VOSS: Are there any other  
9 questions for Wellmark?

10 AN UNIDENTIFIED SPEAKER: To clarify, you  
11 said that we're --

12 COMMISSIONER VOSS: Could you use the mike,  
13 please.

14 AN UNIDENTIFIED SPEAKER: You said the  
15 company is owned by the policyholders, so we're all  
16 owners?

17 MS. JACKSON: Uh-huh.

18 AN UNIDENTIFIED SPEAKER: I don't grant a  
19 price increase.

20 AN UNIDENTIFIED SPEAKER: Bravo.

21 COMMISSIONER VOSS: Cedar Rapids has a  
22 question.

23 AN UNIDENTIFIED SPEAKER: Yes, I believe if  
24 this increase is enacted, that you're going to be  
25 losing more of your base; and you can increase, but

1 then you're going to lose more of your base. It will  
2 probably be more prudent to have a roll-back for a  
3 while than have an increase.

4 What's your comment on that?

5 MS. JACKSON: So the answer to that question  
6 literally is, the number of health services used last  
7 year consumed the dollars that were paid in; and as  
8 we look to the future, we've got a lot of very sick  
9 people out there, and they will use more services.

10 The increase is not for us. The increase is  
11 to pay the cost of claims.

12 And I understand it doesn't feel good.  
13 Again, you guys, I don't believe I can do anything to  
14 make you feel better about Wellmark today, but I can  
15 only answer your questions honestly. That's all I'm  
16 trying to do.

17 AN UNIDENTIFIED SPEAKER: I will be dropping  
18 my policy.

19 MS. VANKO: I'm considering it also.

20 COMMISSIONER VOSS: Are there any questions  
21 for Wellmark?

22 MS. VANKO: I'm going to drop Blue Cross.

23 COMMISSIONER VOSS: Excuse me, Ma'am. Could  
24 you please let people, you know, ask their questions?

25 MS. VANKO: I'm sorry.

1 COMMISSIONER VOSS: I'd appreciate it.

2 MS. SPEAS: I understand you have to operate  
3 at a profit. All of us want to operate at a profit.  
4 We do too. And like I said when I spoke, we have not  
5 raised our prices in 5 years to our customers because  
6 they are experiencing the very same things we are to  
7 exist.

8 When you operate at a profit and you have a  
9 CEO that makes as much as he does, I don't know one  
10 CEO in the world that is worth that much money. I'm  
11 sorry. It's not equitable.

12 And when employees get bonuses like they  
13 get, it's not equitable, and you have to use some of  
14 those profits to do those things for your employees.  
15 I don't get to give my employees bonuses. I don't  
16 get a bonus. My husband doesn't get a bonus.

17 In fact, our workers that worked for us this  
18 year made more than we did, but we pay them first.  
19 We pay our bills first.

20 We don't feel like we can afford not to have  
21 insurance even though we are healthy at this time.

22 But it's got to stop somewhere, and maybe  
23 you all should step up to the plate and be the ones  
24 to stop some of the corporate greed that is going on,  
25 some of the excesses in our government. I mean



1 people are out of control. Companies are out of  
2 control. Our government is out of control.

3 What are we going to do about it?

4 COMMISSIONER VOSS: I think in all fairness  
5 to Ms. Jackson, she does not set the CEO's salary.

6 MS. SPEAS: You've gotten thrown to the  
7 wolves.

8 MS. JACKSON: I'm happy to be here.

9 Sir.

10 MR. Le BLANC: A moment ago you said this is  
11 not for you and your company. Could you tell me who  
12 it's for?

13 MS. JACKSON: So as I said before, this is  
14 true--insurance is truly to help everyone pay for the  
15 cost of care. I don't think there's any one of us if  
16 we had a tragic illness, that any one of us could  
17 truly afford all the care that would be needed.  
18 Let's say I was diagnosed with leukemia. So insurance is  
19 truly to help pay for those individuals that sometimes we  
20 don't know. That's who it's for.

21 MR. Le BLANC: Now, I don't want to  
22 generalize, but I think it's safe to say that you're  
23 offering an increase for a service that none of us  
24 particularly want.

25 MS. VANKO: Yeah.

1 MS. JACKSON: You mean to help pay for  
2 someone you don't know?

3 MR. Le BLANC: No. I'm talking about the  
4 increase. You're offering an increase that you say  
5 is for us that all of us are opposed to.

6 AN UNIDENTIFIED SPEAKER: We're all opposed  
7 to it.

8 MR. Le BLANC: Right. You say it's for us.  
9 It's not for us.

10 COMMISSIONER VOSS: Are this any other  
11 questions for Ms. Jackson?

12 Yes.

13 AN UNIDENTIFIED SPEAKER: See, I didn't know  
14 that we owned the company. How do we access that  
15 power? I mean what meetings can we go to? How can  
16 we be part-- I mean if we own the company, I mean  
17 tell us what that means.

18 MS. JACKSON: There's an annual meeting  
19 where policyholders are invited, and I think that  
20 someone alluded to the fact --

21 AN UNIDENTIFIED SPEAKER: But when and how  
22 do we find out?

23 MS. JACKSON: You know what, I will take  
24 that back. I know, like I say, Courtney is back  
25 there with me. We'll make a note of that. I don't

1 know precisely how members are actually notified, but  
2 we'll take that back.

3 MS. SPEAS: This is the first time I've been  
4 notified of a hearing. I didn't hear about the one  
5 last year.

6 MS. JACKSON: Yes, and, Susan, I'm sorry,  
7 this is really the second time this has been done, so  
8 it's not like the hearings have been happening for 20  
9 years and it's the first time people heard about it.

10 MS. SPEAS: But I didn't get a notice the  
11 first time, and I don't know how many didn't here.

12 MS. VANKO: I didn't either.

13 MS. JACKSON: I don't know.

14 COMMISSIONER VOSS: Are any other questions?

15 MR. LINCOLN: I don't know that you can  
16 answer this question today, but I would like to get  
17 the answer to it. As far as I'm concerned as an  
18 individual policyholder, my curiosity is why am I  
19 paying 2 1/2 times what the median is, you know, and  
20 actually paying more than what the highest is in New  
21 York City?

22 MS. JACKSON: And to just to put some  
23 clarity around that study, that was published by the  
24 America's Health Insurance Plans, and that was a  
25 study that was done across the nation, and I think

1 that was pulled from 2009.

2 And my understanding of the way the study  
3 works is they actually looked where they could get  
4 information, because it's very difficult to compare  
5 state to state, and they looked at the cost of those  
6 policies, and they really boiled it down as an  
7 average. So some people will pay more than that.  
8 And, granted, that was 2 years ago, so some people  
9 will pay more and some people will pay less.

10 COMMISSIONER VOSS: I have to believe--and  
11 this is just my own opinion without looking at the  
12 study--that probably that's everybody--individual,  
13 large group, small group--not just individuals. So  
14 as you can imagine with large group policies, often  
15 people pay a lot less of their own. So you're  
16 looking-- I don't believe you're really comparing  
17 apples to apples in that study.

18 I'll go back and check on it, but I would  
19 find that hard to believe that that's only individual  
20 policies. I think they lumped everybody in just to  
21 look at an overall average of health care.

22 But we can always double-check.

23 Is there anyone else, Fort Dodge?

24 MR. VAN GUNDY: Yes, Fort Dodge. Scott Van  
25 Gundy. We talked a little bit earlier about the

1 amount charged for various services. I have a line  
2 item, outpatient laboratory of about \$150 for a blood  
3 draw. The amount paid by the health plan was \$36.17  
4 and had a network savings of 104.93. We still wonder  
5 where does network savings go to? And if you take my  
6 20 percent coinsurance of \$150, that means I should  
7 pay about \$30 for that, but I was charged \$9.40.

8 I don't know, why is network savings on  
9 there if it doesn't mean anything? What does this  
10 mean to the provider.

11 MS. JACKSON: So I think you're looking at  
12 your personal EOB. It's an explanation of benefits.  
13 And what that's intended to do is show you what a  
14 provider would charge someone who did not have health  
15 insurance. And then it shows you the negotiated rate  
16 that has been established with that particular  
17 doctor, hospital, facility. And then it shows you  
18 what the difference is, and then what your cost share  
19 was.

20 So it's really just trying to help you  
21 understand what was charged, what was actually paid.  
22 So even though they charge it, and what we paid, that  
23 difference, there is no money exchanged for that  
24 difference.

25 MR. VAN GUNDY: Is it not a loss to the

1 provider then of \$104.93 that they think the value of  
2 what they get is \$150?

3 MS. JACKSON: So that probably demands a  
4 longer explanation by individual providers; but, you  
5 know, with regard to how hospitals or doctors actually  
6 charge, they establish their charges; and how they  
7 account for how many people they see that are  
8 actually insured versus that aren't is actually how  
9 they usually determine what they charge each year.  
10 So it would be a better question for somebody in the  
11 medical field or someone running a hospital than for  
12 me.

13 MS. VAN GUNDY: And that's very true and  
14 I've tried to do that, and they try to get around  
15 that as far as a good explanation.

16 But I think some of the problem is with  
17 medical costs is not necessarily fully on the  
18 insurance companies, Wellmark or others, it's on the  
19 charges by the provider, the individual doctor or the  
20 hospital, and you don't hear a lot about that in  
21 trying to control that.

22 COMMISSIONER VOSS: Are there any other  
23 questions?

24 Yes.

25 AN UNIDENTIFIED SPEAKER: Would you be able --

1           COMMISSIONER VOSS: Can you go to one of the  
2 microphones, please.

3           AN UNIDENTIFIED SPEAKER: I think everyone  
4 can hear me.

5           COMMISSIONER VOSS: Well, the remote sites  
6 can't unless you're --

7           AN UNIDENTIFIED SPEAKER: Okay. I'm sorry.  
8 Can you give us a vision of what you see as we move  
9 forward with health care as to what we can expect in  
10 the future? Because, you know, what's going on now  
11 is bad, but I've got a feeling that the future is  
12 much more scary, and I would like to get your thoughts  
13 as to what we can encounter as we move forward.

14          MS. JACKSON: I think the future of health  
15 care and the relative costs is going to be relatively  
16 difficult to manage.

17           I think-- My personal opinion as I look and  
18 read about what's being proposed, you know, what kind  
19 of situation we're currently in, whether it's the  
20 economy driving some of this, I think it's only going  
21 to get worse.

22           So I'd be happy to talk to you afterwards  
23 and tell you some of the reasons I believe that's the  
24 case in case not everyone wants to hear.

25          COMMISSIONER VOSS: Other questions?

1 MS. VANKO: I have a comment.

2 COMMISSIONER VOSS: This gentleman right here.

3 Let's give somebody else an opportunity.

4 We'll get back to you.

5 MR. HEDBERG: My thoughts are that at  
6 \$24,000 a year I could take my chances for 4 years  
7 and be in pretty good shape at the end of 4 years,  
8 just doing the math on that.

9 I don't know. It is real frustrating in  
10 general, I guess.

11 COMMISSIONER VOSS: All right. Thank you.

12 The lady in the back.

13 MS. MYERS: I have a comment on the  
14 gentlemen that was just remotely to us. Can you hear  
15 me okay?

16 I think what he's talking about if I  
17 understand business correctly, I've been in it for a  
18 lot of years, that amount that he's talking about for  
19 the network savings goes to bad debt for the company,  
20 the policy people like Wellmark, Blue Cross Blue  
21 Shield. If you look that up, I believe it's bad  
22 debt.

23 MS. JACKSON: You're talking about the  
24 hospital or the physician when they can't collect?

25 MS. MYERS: When it says his savings, okay,



1 is that not used by Wellmark/Blue Cross Blue Shield  
2 as a bad debt?

3 MS. JACKSON: No, not at all.

4 MS. MYERS: It's not? Okay.

5 MS. JACKSON: It is not.

6 COMMISSIONER VOSS: Someone in Council  
7 Bluffs had a question.

8 MS. STOLEN: Yes, I do.

9 COMMISSIONER VOSS: Go ahead.

10 MS. STOLEN: My name is Connie Stolen. My  
11 husband and I have a policy through Farm Bureau. My  
12 letter says that you're asking for a 7.03 percent  
13 increase. Can you tell me if this will be the  
14 maximum increase for our policy this year or will it  
15 end up being 20, 30 percent for this coming here?

16 COMMISSIONER VOSS: Hi. This Susan Voss,  
17 and I think you're in an association plan, which is  
18 not a part of this actual rate review.

19 Association plans and small group plans are  
20 going to be separately reviewed.

21 So the actual study that's being done right  
22 now in this public hearing is on the individual and  
23 not the association. So if you want to contact me  
24 separately, and we can talk about your association  
25 plan.

1 MS. STOLEN: Well, why did I get a letter  
2 and was told that today was the day to come and  
3 discuss it?

4 COMMISSIONER VOSS: Probably should not  
5 have. I think you've got an error there.

6 Did you get my phone number when--

7 MS. STOLEN: No, I didn't.

8 COMMISSIONER VOSS: Let me give you my phone  
9 number. Here it's (515)281-5907.

10 And why don't you give me a call on Monday.  
11 Okay?

12 MS. STOLEN: Whatever.

13 COMMISSIONER VOSS: Is there anyone else  
14 that has a question?

15 Go ahead.

16 AN UNIDENTIFIED SPEAKER: I was just curious  
17 to know what is the rate increase for the people that  
18 are not individuals? Are they getting a rate increase?

19 MS. JACKSON: So the question was what is  
20 the rate increase for others that are not in the  
21 individual group?

22 We are seeing anywhere from in some cases  
23 like a negative 1 to upwards of 7 to 9 percent, so it  
24 really falls in between.

25 MS. MYERS: And mine is more than that.

1 Mine's 16 percent.

2 COMMISSIONER VOSS: That's the average.

3 Ottumwa has a question.

4 AN UNIDENTIFIED SPEAKER: Yes. When I was  
5 in a group with my wife, I know that when I would go  
6 to the doctor, there would be a certain charge, and  
7 when I changed to this, and when I changed to an HSA,  
8 and that charge you're talking about the provider  
9 charges, I could negotiate that on my own, and I  
10 would get charged less than what Blue Cross Blue  
11 Shield would pay the doctor.

12 So I don't understand where they get that  
13 higher provider charge.

14 MS. JACKSON: Yeah. If you're able to do  
15 that, I don't know what to tell you. I wasn't in  
16 that situation. But I'd be happy to talk to you  
17 individually.

18 AN UNIDENTIFIED SPEAKER: Thank you.

19 COMMISSIONER VOSS: Are there any other  
20 questions or comments?

21 I think Laura said she would stick around if  
22 you have some specifics, and we'll be around. We  
23 want to be mindful of everybody's time.

24 Yes, Sir.

25 AN UNIDENTIFIED SPEAKER: Just a cautionary

1 statement for anybody. I was here last year to talk  
2 about the rate increase and ask for a hold in the  
3 rate increase, and I'd like to ask for a hold this  
4 year.

5 Things change. I'm one of those people who  
6 I was diagnosed with leukemia in May, and I was here  
7 in December and January with the rate increases, and  
8 looked at making changes in our health policy, and  
9 thank God I didn't because my life changed in May.

10 So if you think--and I never-- I had been on  
11 Wellmark policies for 20 years. I had, you know,  
12 zero claims until May.

13 So things can change, and I hope that we  
14 make a change structurally in the system, because it  
15 just isn't working. The system itself is broken.

16 I mean I know we're all frustrated because  
17 the cost of our individual policies are too high.  
18 It's the structure. We're not pooled with enough  
19 people, you know. I've been in the same pool for 18  
20 years, and it's stagnated. But if anybody jumps out  
21 of the pool, all it's going to do is make my price go  
22 up because I can't get out of that pool. I'm tied to  
23 Wellmark, you know, and with, you know, chains of  
24 iron until I hit Medicare age because the medicine  
25 for what I have is very, very, very expensive. And I

1 just don't have options.

2           So, like I said, if we could look at  
3 structural changes rather than-- Like I say, a year  
4 ago I was in a different situation. I just caution  
5 people, don't jump out. I'm 52 years old. Don't  
6 jump out of the pool and then find out, you know, the  
7 next year that you've got a situation where, you  
8 know, you'll need that insurance very, very badly.  
9 So anyway. Thank you.

10           COMMISSIONER VOSS: Anyone else. Yes.

11           MS. Le BLANC: You referenced more than once  
12 the healthy people who don't file claims and don't  
13 use the services for which they're paying. What  
14 you're not seeing are the invisible ones who don't  
15 file and don't bill because we don't have the money.

16           All our money goes to the premiums, so we  
17 don't have the money for the services. So I haven't  
18 heard you once look at us, the people who aren't so  
19 healthy but aren't filing claims but aren't going to  
20 the doctor because of our high deductibles.

21           MS. JACKSON: Sure.

22           COMMISSIONER VOSS: Any other questions?

23           We'll stick around here. I appreciate you  
24 all coming. I don't know if Mr. Mumford kind of told  
25 you where we are in the process. We're waiting to

1 hear back on the study. We have not received the  
2 report from the independent actuary yet. As soon as  
3 we get that, we'll look at that, as well as our  
4 in-house actuary. We will have a transcript of all  
5 of the comments today, all of the written comments  
6 from Angel Robinson. We will sit down and review all  
7 those.

8           It would be great if we could have something  
9 in the next couple of weeks obviously to make a  
10 decision, but I can't--I don't know until I get that  
11 final report to review.

12           In the meantime I would encourage you to  
13 contact our office if you have concerns or questions,  
14 whether it's Angel Robinson, myself. We have a staff  
15 of people that can help you.

16           Contact Laura Jackson at Wellmark, and we  
17 will continue to these discussions. I appreciate you  
18 both at the independent sites around the state and  
19 here in Urbandale very much. Thank you very much.

20           (Applause.)

21           COMMISSIONER VOSS: One second, I think  
22 Laura wants to --

23           MS. JACKSON: I want-- For anybody who would  
24 like it, I want to give you my e-mail and my phone  
25 number so in the interest of time, so very quickly,

1 my e-mail is *jacksonlj@wellmark.com*, and my phone  
2 number is area code (515)376-5252. So if you don't  
3 have a chance to talk to me today, I'd be more than  
4 happy to take your calls or e-mails.

5 COMMISSIONER VOSS: Thank you.

6 (Hearing concluded at 1:40 p.m.)

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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 20th day of December, 2011.

/s/ Eileen F. Hicks

CERTIFIED SHORTHAND REPORTER