

# Health Insurance Rate Accountability and Transparency

Due to public outcry over the huge health insurance rate increases announced by Wellmark this year, legislation was enacted to provide greater accountability and transparencies for consumers.

The intent of Senate File 2201 is to give Iowans more information about health insurance plans, premium increases, and the ability to comment on rate-making process.

## ***Rate Increases***

The bill requires insurers to notify policyholders when they apply for a rate increase, rather than after it is approved. The notice must also include a description of those factors that make the rate increase necessary.

It instructs the Insurance Consumer Advocate to solicit public comments on each proposed rate increase and post them on the Insurance Division's Internet site.

The Insurance Commissioner is to hold a public hearing if the proposed rate increase exceeds the national average annual health spending growth rate.

## ***Cost Information***

A Health Insurance Work Group is created that will meet every year to consider ways to reduce costs of health insurance and health care services.

A report must be filed each year with the Legislature regarding health insurance plans, including loss ratio data, health care expenditures, factors that result in higher costs or lower costs for each health insurance plan, medical cost trends, and any other useful information.

Another bill, Senate File 2356, creates an Iowa Insurance Exchange on the Insurance Division's internet site to post comparative health insurance information, including insurance plan designs, premium rate filings and approvals, health care cost data, and any other useful information.