

Health Insurance Rate Accountability and Transparency

Governor Culver has signed into law more measures on health insurance accountability and transparencies aimed at protecting consumers.

These bills respond to the public outcry over the huge health insurance rate increases granted to Wellmark earlier this year. It will give Iowans more information about health insurance plans, premium increases, and the ability to comment on rate-making process. It does the following:

- 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.
- Requires the Insurance Consumer Advocate to solicit public comments on each proposed rate increase and post them on the Insurance Division's Internet site.
- Requires the Insurance Commissioner to hold a public hearing if the proposed rate increase exceeds the national average annual health spending growth rate.

Cost Information

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

It will report to the Legislature each year on 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 also signed by the Governor, Senate File 2356, creates an Iowa Insurance Exchange, which will post comparative health insurance information on the Insurance Division web site, including plan designs, rate filings and approvals, health care cost data, and any other useful information.