



## News Alert

**Sept. 27, 2016**

### **Continued cost challenges in the individual market lead to further changes**

As you know, Wellmark's mission is to create affordable health insurance for people to access quality health care. For the majority of the past 75 years, we've been able to achieve that. Unfortunately, for the past two years, our members with individual health plans in Iowa under the Affordable Care Act (ACA) have had to endure double-digit increases. In addition, Wellmark has lost approximately \$67 million over the last two years in this market in Iowa. We've discovered as this year goes on, that we expect these trends to continue unless changes are made at the Federal level. It's apparent that continuing to offer plans with broad networks, combined with the rich benefits of the ACA, are not consistent with managing continually rising costs.

While we could seek additional premium increases to mitigate rising costs, this is not sustainable for our members' pocketbook. Therefore, in Iowa, Wellmark will be narrowing product choices to offer plans that are lower priced and encourage health care delivery by Iowa providers. Specifically, this means:

1. We will no longer be offering gold tier plans in Iowa. This affects approximately 7,000 (0.5%) of our 1.66 million Iowa members.
2. We will no longer actively market individual under 65 plans using the Preferred Provider Organization (PPO) network in Iowa. Our individual ACA members with a silver or bronze tier PPO plan today may continue on that plan for 2017.

Both of these changes go into effect for policies with a Jan. 1, 2017, effective date. The above changes do not affect people with grandfathered or grandmothered plans (those that generally purchased their individual health plan prior to Jan. 1, 2014). It also does not affect our members with plans through their employer or those with Medicare supplement plans.

We will continue to:

1. Introduce our new, simplified HMO plan called Blue Simplicity<sup>SM</sup>. This plan is like no other on the market today and is designed to help consumers understand the true value of care through simple copay plans – providing members with transparency and predictability of cost as they seek and use medical services.
2. Debut our two new health insurance companies – Wellmark Value Health Plan (with Mercy Health Network) and Wellmark Synergy Health (with University of Iowa Health System). These new plans are a result of relationships with trusted provider partners who are committed to managing the care of our members.
3. Participate on the public exchange. Wellmark Value Health Plan and Wellmark Synergy Health will offer individual ACA plans both on and off the public exchange in a total of 40 Iowa counties, providing access to subsidies and cost share reductions to many Iowans when they purchase a plan on the exchange.

Although the ACA has done many positive things, it has also had its challenges. Those challenges vary by state. Fortunately, in 2017, the ACA gives states the ability to begin addressing those challenges with the goal of stabilizing the individual under 65 health insurance market. We look forward to working with Iowa policymakers on those solutions in the near future.

[A video featuring Laura Jackson, Wellmark executive vice president, explaining these changes is available for you to view.](#)

### **Plan Terminations Originally Announced on Sept. 8**

As you know, there were a few plan terminations originally announced in the Sept. 8 edition of Blue Briefings Online. Those plan terminations remain in place. The changes announced today are in addition to the changes announced earlier. However, there are a few key differences in what will happen moving forward:

- ACA plans that were announced on Sept. 8 as being terminated – We will no longer be mapping members to any gold or PPO plans. Therefore, here is a new table of the plans that will be terminated and, if applicable, the plans members will automatically be moved to on Jan. 1:

<b>Individual ACA Plans</b>	
<b>Current 2016 Plans (will not be offered in 2017)</b>	<b>New Plan for 2017 (plans members will be moved to)</b>
CompleteBlue <sup>SM</sup> 2500	CompleteBlue <sup>SM</sup> 3000
CompleteBlue Max <sup>SM</sup> 5000	CompleteBlue <sup>SM</sup> 3000
CompleteBlue <sup>SM</sup> 4000	CompleteBlue <sup>SM</sup> 3000
EnhancedBlue Max <sup>SM</sup> 2750	No mapping
EnhancedBlue <sup>SM</sup> 500	No mapping
EnhancedBlue <sup>SM</sup> 1250	No mapping
myBlue <sup>SM</sup> HSA 2000	No mapping
Blue Rewards <sup>SM</sup> 1000	No mapping
Blue Rewards <sup>SM</sup> 1500	CompleteBlue <sup>SM</sup> 3000
Blue Rewards <sup>SM</sup> 5500	SimplyBlue <sup>SM</sup> 5500 HMO

- Grandfathered/grandmothered plans that were announced on Sept. 8 as being terminated – we will no longer be mapping these members to a new plan.

<b>Grandfathered/Grandmothered Plans</b>	
<b>Current 2016 Plans (will not be offered in 2017)</b>	<b>New Plan for 2017 (plans members will be moved to)</b>

Pools 1 and 2	No mapping
Blue Transitions 5400	No mapping
Group Conversion	No mapping
Blue Transitions 1500 and 2500	No mapping
Blue Transitions 5400	No mapping

Letters will be mailed to members on or after Sept. 28, 2016, notifying them of the changes to their plan. In addition, agencies will receive lists of impacted members on Sept. 28 for distribution to agents. We encourage you to reach out to your clients affected by these changes and begin working with them to explore other options for health insurance coverage effective Jan. 1, 2017.

### Commission Changes

Because of these changes to our plan offering in Iowa, we also need to make changes to our commission structure. This new commission structure is effective Jan. 1, 2017, and replaces any previous communications on 2017 commissions.

Iowa 2017 Commissions, Effective 01/01/17				
As communicated on 9/27/2016				
New Sale Non-QHP	Product	Commission	SPIFF	Total Incentives
OEP	Blue Simplicity HMO	\$15.00	\$26.00	\$41.00
OEP	Blue Simplicity HSA PPO	\$0.00	\$0.00	\$0.00
OEP	All Traditional Plans	\$0.00	\$0.00	\$0.00
OEP	WVHP & WSH <sup>1</sup> , Non-QHP	\$15.00	\$26.00	\$41.00
SEP	Blue Simplicity HMO	\$0.00	\$15.00	\$15.00
SEP	All Other Products	\$0.00	\$0.00	\$0.00
New Sale QHP	Product	Commissions	SPIFF	Total Incentives
OEP	QHP Products (WVHP & WSH <sup>1</sup> )	\$15.00	\$0.00	\$15.00
SEP	QHP Products (WVHP & WSH <sup>1</sup> )	\$0.00	\$0.00	\$0.00
Renewal	Product	Commissions	SPIFF	Total Incentives
Non-QHP / QHP	All Products	\$15.00	\$0.00	\$15.00
Any Traditional Plan -> Blue Simplicity HMO <sup>2</sup>		\$15.00	\$26.00	\$41.00

<sup>1</sup> WVHP = Wellmark Value Health Plan; WSH = Wellmark Synergy Health

<sup>2</sup> Agents with renewing traditional contracts have the potential to earn SPIFF by transitioning to the new Simplicity HMO plan designs.

Note: Rates illustrated for electronic applications, paper applications are reduced \$3.00.

We appreciate your help in serving Iowans and helping them find the right health insurance options for their budget and situation moving forward. If you have any questions, please contact your agency or your Wellmark account manager or review this [presentation](#) and [FAQ](#).

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