



STATE OF IOWA

TERRY E. BRANSTAD
GOVERNOR

SUSAN E. VOSS
COMMISSIONER OF INSURANCE

KIM REYNOLDS
LT. GOVERNOR

June 6, 2011

Gary Cohen
Acting Director, Office of Oversight
Department of Health & Human Services
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail C2-21-15
Baltimore, MD 21244-1850

RE: Iowa's Request for Adjustment to Medical Loss Ratio Standard

Dear Acting Director Cohen:

Thank you for notification that as of May 27, 2011 Iowa's application for an adjustment to the MLR standard was deemed complete. In addition to the notification of completeness, the May 27th letter requested additional information. Those responses are set out below.

Item 1: Separate data for any issuer with greater than 300 enrollees is set out in the attached Excel spreadsheet. The Division has also provided the 2010 Supplemental Health Care Exhibit (SHCE) for each issuer that offers coverage in the Iowa individual market.

Item 2: Based on the Insurance Division's analyses of the SHCE data, the Division has confirmed the CCIO estimates shown in the table set out in your May 27th letter.

Item 3: Based on the information shared with the Insurance Division by carriers doing business in Iowa and our analyses of the data, we believe that the number of small carriers that need time to adjust their business models and provide coverage to more than 1,000 enrollees in the Iowa Individual health insurance market to be at least one but no more than three.

Item 4: Based on the information shared with the Insurance Division by carriers doing business in Iowa and our analyses of the data, we believe that the number of carriers that have already entered into binding, multi-year agent commission agreements and provider contracts to be at least one but no more than three.

Item 5: Based on the information shared with the Insurance Division by carriers doing business in Iowa and our analyses of the data, we believe that the number of smaller but significant carriers that will likely exit the market without an adjustment to the MLR standard to be at least one but no more than three.

If we can be of further assistance, please advise.

Sincerely,

A handwritten signature in cursive script that reads "Angela Burke Boston".

Angela Burke Boston
Assistant Commissioner