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To:

Commissioner Doug Ommen, **Insurance Department State of Iowa**
2 Ruan Center
601 Locust Street, 4th Floor
Des Moines, Iowa. 50309

Administrative Rules Review Committee, Legislature
1305 E Walnut
Des Moines, Iowa 50319

1 February, 2019

Dear Sirs/ Madams

We are writing to comment on the proposed Iowa rules change for insurance being pushed to stop the "Trump Plan". One of us (Merritt) is a surgeon in Iowa, and the other (Greiner) is an insurance agent who has family and clients in Iowa.

Obamacare drastically raised rates on insurance everywhere in Iowa in excess of 500%. This is being ameliorated around the country by the simple rule changes from the Trump Administration. These rules work by increasing competition, and by removing hurdles to healthy individuals—those who want to buy insurance without being forced to subsidize other peoples' ill health.

We are disturbed to discover that during the campaign for governor in 2018, the Insurance Commissioner, presumably at the behest of the Governor, without time for public comment and without holding committee meetings in this matter, outlawed the President's free market common sense changes. By doing so, the Insurance Commissioner acted in favor of expanding the Blue Cross insurance monopoly—a monopoly which will continue to burden self-employed people, (especially farmers), and all tax payers who pay the government workers' inflated health care costs.

With this single act, **Iowa has propelled itself to be one of the most expensive states in the nation for insurance.** Here are exact numbers: 71% of all Obamacare recipients are on the mid-level Silver Plan. **80% get tax credits.** A 63 year old male with a household income of \$56,000/ year a wife, and two children, purchasing this plan in Ames, Iowa, costs **\$60,752** a year, including subsidies of \$56,333. (I.e. **the recipient pays \$4419 for this plan, the federal taxpayer pays the rest into the pockets of the insurance company providing the Obamacare.**). The same plan in Boston is \$23,724, and in St. Paul Minnesota, \$22,266—cheaper for both client and taxpayer.

When you look further at these prices, even within the same state, the effect of competition is obvious. In zip codes where only one carrier is available the price is much higher (such as Tallahassee FL at \$53,141) than in areas where there are multiple carriers (such as Tampa Bay, FL \$35,730.). Additionally, in Tallahassee this family may purchase President Trump's low-cost option for just \$10,176 **resulting in a savings of \$42,965!**

Iowa farmer's—as self-employed workers-- are triply burdened. They can buy Obamacare Exchange insurance—but in most cases, their incomes will deny them any tax credits—making the insurance prohibitively expensive. Or, their only other option is to buy a product through the **Farm Bureau (a Blue Cross-Blue Shield Agency)** which is really **not insurance** and **[not governed by the Insurance Commission]** so does not qualify for tax breaks or HSA purchasing. **Unbelievably the farmers' plan does not cover “work-related sickness or injury”.** Therefore, these **farmers are only covered by their overpriced non-insurance while they sleep--because even a heart attack on their tractor or walking to the barn would be “work-related”.**

Obamacare does two really bad things: First, by imposing “Guaranteed Issue” it eliminated classic individual health insurance. Secondly, **the remaining individual insurance herded people into HMOs and out of PPOs. HMOs notoriously deny access to quality physicians and hospitals, and frequently deny all care for certain problems. Iowa now has only HMO type products in the individual market. These plans typically pay nothing if patients choose to see a non-network medical provider for illnesses which can benefit from specialized expertise--such as bone marrow transplant for cancer.**

We assume that members of the Insurance Division and the Legislative Emergency Rules Committee understand that all the products available to Iowans today are not really insurance. Real insurance is actuarially based, privately owned, portable, and is issued at will by competitive insurance companies. We in Iowa are not facing a house insurance crisis, because

companies such as Geico and State Farm and USAA are not forced to sell us insurance while our house is on fire. **Yet that is exactly what Obamacare’s “guaranteed issue”, and now our state’s Republican administration demands.** In short, under current Iowa/Obamacare rules, a healthy 30 year-old who doesn’t smoke, eats right, exercises and wants to be responsible by owning health insurance has to pay for a bloated expensive plan which subsidizes people without such ethics—people who can get away with an unhealthy lifestyle and don’t have to buy insurance until they are sick. To burden our healthy workers thus is not compassion. **This is an unethical and “big brother” government act promoting theft from fellow citizens and irresponsibility.**

By rejecting the Trump Administration plan, whom are you protecting? You are not protecting the farmers, nor people of any age who made efforts to be healthy, nor taxpayers who foot the bills for themselves and for all government workers. And honestly you are not even helping the poor, who get overly expensive bad quality non-insurance. The only ones you seem to be protecting are the insurance giants who have a virtual--if not de-facto monopoly in our state. We hate to suggest that this rule change (which came about during the last part of the close governor’s race) also might have protected the politicians who benefitted from insurance campaign funds. But we are paying attention.

We urge you to adopt the Trump plan (as have many other states such as Florida). Dr. Merritt’s father was a small town country doctor till 1971. Care was fairly cheap—not just because of the buying power of the dollar, but because medicine was a free market, honest system. **The Trump plan is a first step to returning Iowa to a such a true free market environment for health insurance and medical care.**

Sincerely

**Lee Merritt MD
928-257-9134**

**Ron Greiner,
727-943-8118**

cc: Governor Kim Reynolds
cc: Ann Outka
cc: Dawn Pettengill, Representative, State of Iowa
cc: Senator Charles Grassley
cc: Representative Steve King

**Saving low-cost high-quality Individual
Health Insurance in Iowa! (1/2/2019)**