

# OPINION



**Robin Opsahl**  
Iowa Capital Dispatch Reporter

## Gov. Kim Reynolds signs health insurance premium tax increase into law

Robin Opsahl, Iowa Capital Dispatch reporter covering the state Legislature and politics.

(SBA) a news conference Wednesday. I o w a “We’ve been watching it all along. We knew that this was going to hit at some point. The bill has come due.”

The measure made it to the governor’s desk on a tight timeline — discussions started in early March on the proposal, and the House and Senate both approved the bill within the past week. The governor said the measure needed to move quickly so the state could implement the tax rate change before a March 31 deadline in order to draw down federal funding.



Gov. Kim Reynolds answered questions from reporters at a media availability Feb. 26, 2026. (Photo by Robin Opsahl/Iowa Capital Dispatch)

Gov. Kim Reynolds signed into law a tax increase on health maintenance organizations, or HMOs, which aims to fill the state’s Medicaid budget shortfall. Critics say the tax will increase health insurance costs for Iowans.

The governor signed House File 2739 into law Thursday, according to a news release. The law will retroactively raise the premium tax on HMOs, a type of Medicaid Advantage plan offered by private companies, from a rate of 0.925% to 3.5% between Jan. 1 and Sept. 30, 2026. Beginning in October, the rate would lower to 0.95%.

This increase is intended to help fill the projected funding gaps in the Iowa Medicaid program. The Medicaid Forecasting Group found the state health coverage program is expected to face a \$90.6 million deficit in Fiscal Year 2026, and a deficit of \$167.6 million in FY 2027.

In addition to the tax hike, the measure also moves \$89 million from the state’s general fund to the Iowa Department of Health and Human Services for the state’s Medicaid program to address the FY 2026 shortfall. It will also transfer almost \$350 million from Iowa’s Taxpayer Relief Fund to make up for revenue loss from tax cuts made at the federal level in the “One Big Beautiful Bill” act.

Reynolds said Iowa is not the only state facing problems with Medicaid funding, and that the HMO tax increase was Iowa’s solution to help fill that budget deficit.

“The fact of the matter is, it helps cover the Medicaid shortfall from COVID,” Reynolds said in

As the measure received public feedback and was debated in both chambers, lobbyists representing insurers and Democrats said the tax will result in health care premiums rising for Iowans. Scott Sundstrom, a lobbyist for Wellmark, Inc., said at a public hearing health insurance costs are projected to increase by \$500 for a family of four covered through Wellmark’s HMO.

Reynolds compared these arguments brought up by insurance agencies to arguments made against legislation adding new regulations to pharmacy benefit managers (PBMs), which Reynolds signed into law in 2025.

“Private insurers do not have to pass along this one-time cost,” Reynolds said. “That’s always the threat. We’ve heard it with PBMs — every time we try to rein in or hold our insurance companies kind of in line, that’s the first place that they go. But the way that this bill is assembled with HMOs, they do not — they can, but they do not — have to pass that one-time cost along to individual policy owners.”

*ED NOTE: Robin Opsahl is an Iowa Capital Dispatch reporter covering the state Legislature and politics. They have experience covering government, elections and more at media organizations including Roll Call, the Sacramento Bee and the Wausau Daily Herald.*

## STRAIGHT TALK

A Commentary By Timothy Loftus, Editor & Publisher  
Sergeant Bluff Advocate Newspaper-[www.sergeantbluffadvocates.com](http://www.sergeantbluffadvocates.com)



### Government Negligence and Overreach Putting Americans’ Privacy in Peril

(SBA) - Americans are living through a quiet constitutional crisis—one not defined by dramatic courtroom showdowns or sweeping legislation, but by the slow, methodical erosion of privacy rights. Bit by bit, the government is expanding its reach into citizens’ personal lives, demanding broader access to private data while simultaneously proving incapable of securing the information it already possesses. When these patterns converge—expanding surveillance and collapsing safeguards—the results are not just troubling; they are dangerous.

This erosion is visible internationally, domestically, and now even inside the electoral system itself.

It begins with a stark warning from abroad. According to a March 2026 U.S. Consulate General advisory in Hong Kong, travelers—Americans included—can now be criminally prosecuted if they refuse to unlock their phones or provide passwords to Hong Kong police under newly expanded national security enforcement rules. Even passengers transiting the airport may be compelled to surrender their digital lives on demand. This is the kind of intrusion Americans often associate with authoritarian governments. Yet the United States, while pointing outward, is increasingly normalizing similar practices at home.

Consider the U.S. border. Americans often assume that their constitutional rights accompany them wherever they go, yet the government has quietly carved out one of the broadest exceptions to the Fourth Amendment in modern history. According to AFAR, TSA officials do not have authority to compel passwords or search digital devices—an important distinction—but U.S. Customs and Border Protection (CBP) absolutely does. CBP Assistant Commissioner Hilton Beckham confirmed that roughly 47,047 devices were searched out of 420 million international arrivals in 2024, less than 0.1 percent but still representing tens of thousands of deeply invasive encounters. These searches can involve simple manual review or more invasive “advanced searches” where forensic tools extract or copy device data.

The legality of these practices is not even uniform nationwide. According to the Library of Congress, federal appellate courts remain sharply divided over whether forensic digital searches require reasonable suspicion, creating a patchwork of protections—one rule at JFK, another at Atlanta, another at Dulles, and so on. Your privacy rights at the border now depend on which jurisdiction your plane lands in, an absurd and unacceptable reality in a country founded on the principle of equal constitutional protections.

Yet even as the state reaches further into citizens’ devices, it fails catastrophically to safeguard the sensitive information it already holds.

This failure is nowhere more glaring than within the Social Security Administration (SSA).

In August 2025, ABC News reported that SSA Chief Data Officer Charles Borges filed a whistleblower complaint accusing the Department of Government Efficiency (DOGE) of uploading a “live copy” of the entire U.S. Social Security database—containing names, birthdates, citizenship status, parents’ names, addresses, phone numbers, race and ethnicity, and Social Security numbers for over 300 million Americans—to an unsecured cloud server. Borges said the move created

“enormous vulnerabilities” and exposed Americans to massive, long term identity theft risks. SSA leadership insisted the data was stored in a “long standing environment,” but the inspector general launched an investigation.

The situation worsened dramatically the following year.

According to MyPrivacy.Blog, a former DOGE software engineer allegedly walked out of the SSA with two of its most sensitive databases—Numident and the Master Death File—copied onto a personal thumb drive. These datasets contain the identity records of up to 500 million people, including deceased individuals. Inc. reported that the engineer boasted internally about having “God level access” and allegedly intended to transfer the data to his new employer. TechCrunch confirmed these claims, noting that the employee said he possessed complete databases including Social Security numbers, birth records, citizenship data, race, ethnicity, and parents’ names. This is not mere carelessness—it is negligence on a scale that defies comprehension.

According to Mashable, DOGE related misconduct persisted even after the initiative was officially disbanded, including the creation of additional unauthorized cloud copies of the national Social Security database. Investigators warned the data exposure presented a “catastrophic adverse effect,” one severe enough that the government might eventually have to issue new Social Security numbers to every American.

Yahoo News reported that the situation was even worse than initially understood. According to DOJ filings, DOGE stored the entire Social Security master database—including medical information, banking data, and work histories—on an unauthorized Cloudflare server in what whistleblowers called “the largest government data breach in U.S. history.” AP News corroborated these findings, reporting that the data of more than 300 million Americans was placed at risk when DOGE officials uploaded sensitive information to a cloud environment that lacked oversight. The Government Accountability Project reported that the exposed data included the most intimate identifying details tied to Social Security numbers—names, birthdates, citizenship, race and ethnicity, phone numbers, parents’ Social Security numbers—creating a “national security disaster” with lifelong consequences.

This is the government telling Americans: “Trust us with your most sensitive personal data.” And then proving, repeatedly, that it cannot be trusted at all.

Into this already alarming landscape enters a new front in the privacy battle—one tied directly to America’s elections.

According to The Hill, the Department of Homeland Security (DHS) confirmed it is working with the Department of Justice (DOJ) as the DOJ pressures states to hand over their voter roll data. The DOJ has already taken legal action against several states to force compliance, while more than 20 Democratic led states have sued to block the releases on privacy grounds. DHS said in a statement that collaboration with the DOJ would help prevent “illegal aliens from corrupting our republic’s democratic process” and ensure election integrity. However, The Hill also re-

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