



CLINT P. MOSES

STATE REPRESENTATIVE • 29TH ASSEMBLY DISTRICT

Office: (608) 266-7683
Toll Free: (888) 529-0029
Rep.Moses@legis.wi.gov

P.O. Box 8953
Madison, WI 53708-8953

Support of Assembly Bill 860
Assembly Committee on Insurance
Thursday, January 11

Thank you Chair Dittrich and members of the Assembly Committee on Insurance for the opportunity to testify in favor of Assembly Bill 860.

Health insurance coverage has changed a lot over the years. As an independent health care provider, I have patients with a variety of healthcare coverage plans. I see patients who have health insurance through their employer, from the marketplace and government programs of Medicaid and Medicare. Finally, I have some patients who choose to not have healthcare coverage.

The unfortunate reality is that for many family farms the options for health insurance currently available are not well suited to their unique needs. While premium subsidies to help enroll in Affordable Care Act plans have been helpful to many, for a lot farmers and self-employed individuals these plans remain unaffordable. Most family farms have one person who is going off the farm and maintaining a job with employer-based health benefits, or risk going without any health insurance.

AB 860 would provide another option for these families in Wisconsin. The bill creates an exemption in state insurance regulations to allow Farm Bureau Health Plans to provide benefits to individuals who may lack employer-sponsored coverage or who may not typically be eligible for federal incentives under the Affordable Care Act. This exemption is like other association plans and self-insured businesses who offer coverage in Wisconsin.

Tennessee Farm Bureau has provided their members with access to affordable health plans for over 30 years. Recently, six more states: Iowa, Indiana, Kansas, South Dakota and Texas have passed legislation to allow these plans to operate. This bill would allow Wisconsin Farm Bureau to provide members with the same opportunity.

Existing Farm Bureau Health Plans are quite comprehensive. Some details about other states Existing Farm Bureau Health plans:

- Require individual application and review a person's medical history for eligibility and coverage
- Nine out of ten people who've applied were covered.
- Coverage of a preexisting condition may be delayed, after the initial period those conditions are covered just like any other health condition.

- Farm Bureaus have been capable to provide coverage at rates 30 to 60% less expensive than unsubsidized coverage in the private market because of the flexibility and structure permitted for these plans.
- No open enrollment period. Individuals can switch to a farm bureau plan health plan whenever they need to, for whatever reason.
- Farm Bureau membership is required to maintain the health plan. Members who do not renew their membership will not be eligible to continue with their health plan.

We introduced an amendment to that offer some additional guardrails to the program. We worked with insurance stakeholders on the amendment. The amendment includes:

- Clearly specify that the coverage provided under the nonprofit agricultural organization is not insurance and is not under the authority of the OCI. This mirrors the Indiana legislation.
- Require Farm Bureau members to be members for at least 30 days before being eligible to apply for their health plans.
- Require Farm Bureau to offer coverage to its members in every county of Wisconsin.
- Require Farm Bureau to file annually with the OCI a written, signed opinion of a qualified actuary that the plan reserves of the nonprofit agricultural organization and its affiliates are adequate and conform to the appropriate actuarial standards of practice.
- Require Farm Bureau to adopt a complaint procedure that is similar to the OCI complaint procedure

The Wisconsin Farm Bureau main mission is to advocate for farmers. Wisconsin Farmers have been asking for more options to affordable healthcare. By amending state law to allow a nonprofit agricultural membership organization, we are helping our family farms live a healthier life. Wisconsin Farm Bureau is prepared to provide Wisconsinites with a well-established, cost-effective health coverage solution that has already benefited thousands of families in other states.

I ask for your support of Assembly Bill 860.



WISCONSIN LEGISLATURE

P. O. Box 7882 Madison, WI 53707-7882

Sen. Pat Testin and Rep. Tony Kurtz

Testimony before the Assembly Committee on Insurance on Assembly Bill 860

Thank you Chairman Dittrich and Committee Members for the opportunity to testify on Assembly Bill 860.

Agriculture is a significant sector in Wisconsin's economy, producing nearly \$104 billion in revenue annually. Wisconsin leads the United States in the production cranberries, ginseng, and snap beans growing more than half the national crop of cranberries, and 97% of the nation's ginseng. Wisconsin is also a leading producer of oats, potatoes, carrots, tart cherries, maple syrup, and sweet corn for processing.

Health insurance coverage has changed a lot over the last ten years, but for many Wisconsin farm families, the issue still comes down to the same thing it has for decades; having a conversation about who is going to go off the farm to find a job with employer-based health benefits, or if they're going to risk going without it.

The unfortunate reality is that for many farm families the options currently available are not well suited to their unique needs. While premium subsidies to help enroll in Affordable Care Act plans have been helpful to many, for a lot farmers and self-employed individuals these plans remain unaffordable.

AB-860 would provide another option for these families in Wisconsin.

The bill creates an exemption in state insurance regulations to allow Farm Bureau Health Plans to provide benefits to individuals who may lack employer-sponsored coverage or who may not typically be eligible for federal incentives under the Affordable Care Act.

For over 30 years, Tennessee Farm Bureau has been able to provide their members with access to affordable health plans and in recent years six other states Iowa, Indiana, Kansas, South Dakota and Texas have passed legislation to allow these plans to operate. This bill would allow Wisconsin Farm Bureau to provide members with the same opportunity.

Existing Farm Bureau Health Plans are quite comprehensive, although they don't qualify as traditional health insurance. Under the proposed legislation, Farm Bureau plans would be exempt from insurance regulations and therefore require an individual application and review a person's medical history for eligibility and coverage.

These plans are not for everyone, but in other states nine out of ten people who've applied were covered. Farm Bureaus have been capable to provide coverage at rates 30 to 60% less expensive than unsubsidized coverage in the private market now because of the flexibility and structure permitted for these plans.

For the hundreds of thousands of individuals currently receiving coverage through a Farm Bureau Health Plan, there are no annual or lifetime limits on their coverage, and while coverage of a preexisting condition may be delayed, after the initial period those conditions are covered just like any other health condition.

Assembly Amendment 1 is the product of conversations with the Alliance of Health Insurers. It adds additional guardrails with OCI to ensure proper plan reserves and actuarial standards.

The Wisconsin Farm Bureau has been a dedicated advocate for farmers, safeguarding our interests and enhancing the rural Wisconsin way of life for over a century. They are prepared to provide Wisconsinites with a well-established, cost-effective health coverage solution that has already benefited thousands of families in other states.

I respectfully request your support of Assembly Bill 860 and thank you for taking the time to read my testimony today.



PATRICK TESTIN

STATE SENATOR

DATE: January 11, 2024

RE: **Testimony on Assembly Bill 630**

TO: Assembly Committee on Insurance

FROM: Senator Patrick Testin

Thank you to Chairman Dittrich and Committee Members for hearing my testimony on AB 630.

Complex rehab technology, or CRT, consists of medically necessary and individually configured products and services designed to meet the unique medical and functional needs of individuals with disabilities to achieve high levels of function and good health outcomes, as well as participate independently in their communities.

This equipment helps individuals regain mobility and independence for everyday tasks, regardless of the medical condition they're living with. Most individuals obtain CRT after being diagnosed with progressive or degenerative neuromuscular diseases, congenital disorders, or suffering from a life-changing injury that severely impairs mobility.

Nationwide, we have seen a closure of companies providing repairs to this vital, life-saving equipment due to low Medicaid reimbursement rates. Companies simply cannot afford to stay in business while taking such a large monetary losses. In Wisconsin, there are currently only two companies that offer such repairs.

This past spring, Medicare increased their reimbursement rates on a variety of medical equipment but not on CRT. This bill seeks to rectify that problem by increasing rates for CRT, both with and without the KU Modifier to match the current federal rates. A KU modifier is a code that signifies the items can be found both on a simple and complex wheelchair, such as an arm rest.

Repair companies closing affects the quality of life of already vulnerable individuals. Time spent in an ill-fitting or improperly functioning chair often causes medical issues such as pressure ulcers, urinary tract infections, and orthopedic degradation that can lead to life threatening infections. Raising the reimbursement rates will be a step in the right direction to helping this vulnerable population receive the necessary care needed.

Testimony on 2023 Assembly Bill 860

Assembly Committee on Insurance

January 11, 2024

Good afternoon, Chair Dittrich and Committee Members and thank you for opportunity to hear Assembly Bill 860, to allow the Wisconsin Farm Bureau to provide health care coverage plans as a benefit to our members.

My name is Brad Olson, I'm a crop farmer from Polk County and President of the Wisconsin Farm Bureau Federation. The Wisconsin Farm Bureau Federation (WFBF) is the state's largest general agriculture organization with over 47,000 members in nearly every county in the state, representing farms of all sizes, commodities, and management styles. I have with me today Jason Mugnaini, our WFBF Government Affairs Executive Director and Ben Sanders, Executive Director of Government Affairs for Tennessee Farm Bureau.

I would like to thank the bill's authors, Representatives Tony Kurtz and Senator Pat Testin, along with today's pinch hitter Representative Clint Moses and the rest of the bill's cosponsors for their leadership in bringing this legislation forward.

For more than 100 years, Wisconsin Farm Bureau has existed to serve its members. WFBF has a long history of addressing member needs across the state of Wisconsin through valuable member benefits. As a grassroots policy organization, WFBF has policy adopted by the membership supporting solutions for private, affordable, high-quality healthcare. Simply put, Assembly Bill 860 would allow Wisconsin Farm Bureau to provide its members with a unique and affordable health coverage plan which is currently operated by state Farm Bureaus in seven other states.

Unfortunately, the cost of health coverage has been an issue for farmers as long as I can remember. While the Affordable Care Act has helped many people who don't have employer sponsored plans find and access health coverage, because of industry we are in and structure of our businesses, farmers remain in the same position they have been for decades; making a choice between someone taking a job in town to access coverage or risking their chances being uninsured.

We're asking for a one-off exception from state insurance regulation to allow an existing model, offered only by state Farm Bureaus which is providing coverage to thousands of families already, to be permitted to operate here in Wisconsin. Farm Bureau is uniquely positioned to provide this benefit to those who don't have employer sponsored coverage and are typically ineligible for federal premium subsidies under the Affordable Care Act.

There are approximately 50,000 people in Wisconsin who make more than 400% of the federal poverty level whom are ineligible for federal incentives and are uninsured in Wisconsin. The

concept that Assembly Bill 860 authorizes could help to reduce the number of uninsured Wisconsinites by offering coverage at attractive premiums from a trusted source.

While we recognize that this will not be a one-size-fits-all solution, it can be a lifeline for some of those struggling to find affordable health coverage. These plans grant members under 65 access to a nationwide provider network and multiple coverage options customized to suit our specific needs. Because Farm Bureau Health Plans are not subject to the same regulations as traditional insurance, they require an individual application and review each person's medical history to evaluate eligibility.

In other states which have adopted legislation to allow Farm Bureau Health Plans, their members have seen premiums between 30 and 60 percent lower than comparable unsubsidized plans offered now. Coupled with the flexibility to access a Farm Bureau Health Plans outside of traditional enrollment periods, this option allows our members to make business decisions for their farms or succession planning to pass the farm on to the next generation without the added stress of uncertain health care access.

Farmers need a better option, one that's tailored to our unique needs. We need Farm Bureau Health Plans.



DATE: January 11, 2024

TO: Representative Barbara Dittrich, Chair
Representative Calvin Callahan, Vice-Chair
Members, Assembly Committee on Insurance

FROM: Sarah Smith, Director of Public Affairs
Lauren U. Van Buren, Chief Legal Counsel
Office of the Commissioner of Insurance

SUBJECT: Public Hearing on Assembly Bill 860

Chair Dittrich and members of the committee, thank you for considering our written testimony today in opposition to Assembly Bill 860 (AB 860).

Government regulation of insurance protects consumers from insolvent insurers who are financially unable to fulfill the promises they have made and provides assurance that insurers will follow all applicable laws and regulations when engaging in the business of insurance. Insurance regulation is structured around several key functions including insurer licensing, producer licensing, product regulation, market conduct, financial regulation, and consumer services. Alternative health coverage arrangements which are not subject to the same insurance regulatory requirements at the state or federal level leave consumers unprotected.

AB 860 would allow the creation of an unregulated health benefit arrangement for members of a nonprofit agricultural organization. Under the bill, these health benefit arrangements would not be regulated by the Wisconsin Office of the Commissioner of Insurance (OCI) and would not need to comply with the consumer protections and benefit coverage requirements of the federal Affordable Care Act (ACA).

ACA standards ensure that enrollees are treated fairly and receive access to comprehensive preventive care services. For example, the ACA requires health insurance companies to:

- Guarantee issue and guarantee renewability
- Provide coverage of ten essential health benefits such as maternity and newborn care, mental and substance use, hospitalization, prescription drugs, etc.
- Provide coverage of preexisting conditions without any waiting periods
- Not charge women more than they charge men solely on the basis of their gender

Additionally, most Wisconsinites who enroll in an ACA-compliant plan on the individual market are eligible for subsidies that offset the cost of their premiums. These subsidies were expanded to include higher income individuals in 2021 and last through 2025.

A 2023 Government Accountability Office study reviewed Farm Bureau Health Plans, Health Care Sharing Ministries, and Fixed Indemnity Plans. They found that these types of arrangements contain few, if any, of the consumer protections that are required for ACA-compliant health insurance plans. The study also found that Farm Bureau Health Plan enrollment declined in 2021 and 2022 due to the increased subsidies as more farmers and farming families were able to sign up for ACA-compliant high-quality, comprehensive health insurance on the individual marketplace instead.

Wisconsin has one of the most competitive individual health insurance markets in the country and the Wisconsin Healthcare Stability Plan (WIHSP) has been successful holding down premium rates every year since it became operational in 2019. Since its inception, Wisconsin taxpayers have invested \$110 million in state General Purpose Revenue (GPR) to support and stabilize the individual health insurance market through WIHSP. A stable, robust market of ACA-compliant health insurers competing on a level playing field is better for Wisconsin consumers - and we know it's working. Yesterday, the federal Centers for Medicare and Medicaid Services (CMS) released their latest snapshot of enrollment data for the ongoing 2024 Open Enrollment Period. As of December 23, 2023, 254,482 Wisconsinites had signed up for health insurance coverage on the individual market. This marks the highest enrollment Wisconsin has ever reached. This record-breaking Open Enrollment Period isn't over yet as more Wisconsinites will continue to sign up for affordable, high-quality health insurance coverage on HealthCare.gov through January 16.

The proliferation of non-compliant health benefit arrangements undermines the consumer protections of the ACA and weakens the market. These health benefit arrangements can choose to only provide coverage for healthier, less expensive individuals, thereby removing these individuals from participation in ACA-compliant health plans. By engaging in this type of activity, commonly known as cherry-picking the good risks, these unregulated health benefit arrangements increase premiums for enrollees remaining in the regulated health insurance market.

We believe that all Wisconsinites should have reliable health insurance that covers medically necessary care while protecting their financial security. Through the Governor's Health Care Coverage Partnership, we have worked to increase enrollment and improve awareness of the Affordable Care Act marketplace and the federal subsidies. Due in part to our marketing and outreach efforts, enrollment on the individual market has recently reached its highest level since 2018. We will continue to engage rural communities and stakeholders to improve health insurance coverage rates in every community across the state. Protecting a strong, competitive, and well-regulated health insurance marketplace will help that work continue.

We appreciate your careful consideration of our concerns with AB 860.

Testimony on 2023 Assembly Bill 860

Assembly Committee on Insurance

January 11, 2023

Good afternoon, Chair Dittrich and Committee Members, thank you for the opportunity to testify today in support of 2023 Assembly Bill 860, a bill to allow Wisconsin Farm Bureau to provide a health plan as a benefit to our members.

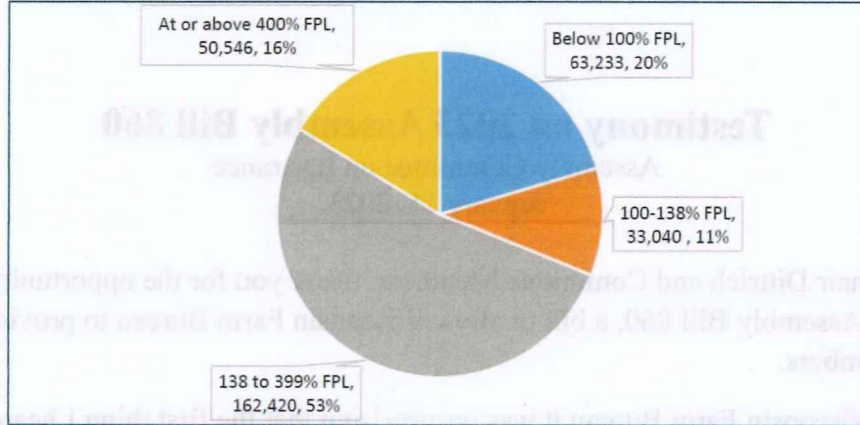
When I started at Wisconsin Farm Bureau it was unsurprising that the first thing I heard about was the need to fix roads in rural Wisconsin. I was a bit surprised however, that just behind that issue, I was hearing from people that we needed to do something about the cost of health care, but I probably shouldn't have been as this is a major expense for any small business or self-employed individual, but it's even more challenging for farmers.

While the Affordable Care Act (ACA) has expanded health care coverage for so many, for a lot of farmers and Farm Bureau members who are self-employed, the conversation about health care hadn't changed as intended. Subsidy limitations, farm income accounting, and commodity volatility have created a system which has led to limited options for these folks in rural areas. This has led to many having to get employment off the farm for access to affordable health coverage, or worse, people making the ill-advised decision to go without.

If someone has a vocation, that they're interested in pursuing and that job has health benefits attached, that's one thing, but leaving farmers in a position where they're forced to take a second full time job only to get access to health coverage continues to put agriculture in an unfortunate situation. Wisconsin is currently losing more than a dairy farm a day. Last year over 400 dairies closed their doors. A lot of farmers are getting older and a major element of the succession planning for the farm for our younger generations is ensuring that they can afford to stay on the farm. It's worth noting here that the average age of a Farm Bureau Health Plan policyholder in Kansas is 38 years old.

When we started looking into potential options Wisconsin Farm Bureau could provide our members to improve these outcomes, we didn't want to work off anecdotal stories, so we started looking at available data provide through our state agencies. A 2022 study done for Wisconsin's Office of the Commissioner of Insurance looked at the uninsured population in Wisconsin, which showed over 50,000 people whose income exceeds 400% of the federal poverty level, but were uninsured. Normally, individuals with income above 400% of the federal poverty level (FPL) are at the benefit cliff and are ineligible for federal incentives to help cover premium costs for the Affordable Care Act (ACA). While there are currently some emergency incentives available under the American Rescue Plan and Inflation Reduction Act, those benefits are set to expire next year.

Panel B. Total Uninsured, by Income Range



For a family of four, 400% FPL is approximately \$120,000 which is a pretty decent living but doesn't mean that you have an extra \$1,600 a month to put toward health coverage. Moreover, the way farmers' Modified Adjusted Gross Income (MAGI) is counted for the purposes of ACA incentive eligibility, their income is artificially inflated by adding back in deductions for depreciation and interest payments on numerous business expenses. While these are considerations for any small business, they disproportionately impact farms, especially for younger farmers who nearly all are carrying large amounts of debt.

In addition, farm income by its nature is very volatile. Year over year, commodity price fluctuations vary greater than traditional small business expenses. Just take the last few years of Class III Milk prices per hundredweight, where farmers experienced a low in May 2020 of \$12.14 per Cwt. to a high of \$25.21 per Cwt. two years later, and back to 16.11 per Cwt in May of 2023, bottoming out last year at \$13.77 per Cwt. in July. For those of you who may not know, Class III milk is the milk used in cheese manufacturing, where 91% of Wisconsin milk goes. While a farmer may have qualified for a certain level of incentive in a given year, a wide change in commodity prices could force them to repay and limit them out of a subsidy the next, without changing one element of their business practice.

The survey results of uninsured Wisconsinites from this same OCI 2022 study indicated the leading reasons people did not get coverage were that the costs were too high, they didn't like the plans that were offered, or they were not eligible for a federal subsidy. The study further concluded that one element to reducing the number of uninsured in Wisconsin was effective outreach, "using trusted messengers with a localized message."

Figure 19. Wisconsin Survey Respondents: Reasons you did not get insurance, when uninsured

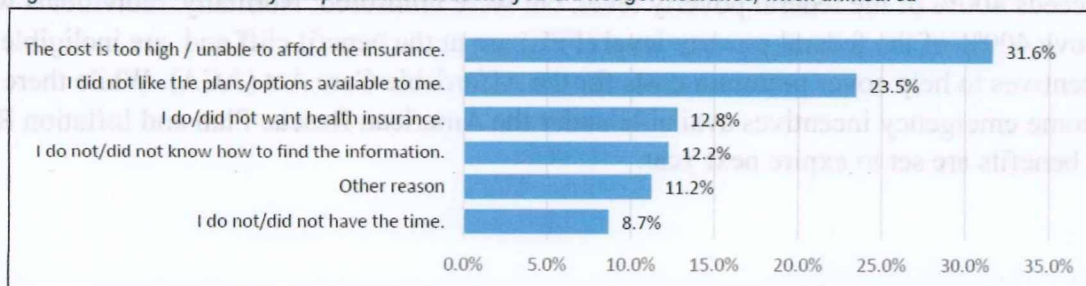
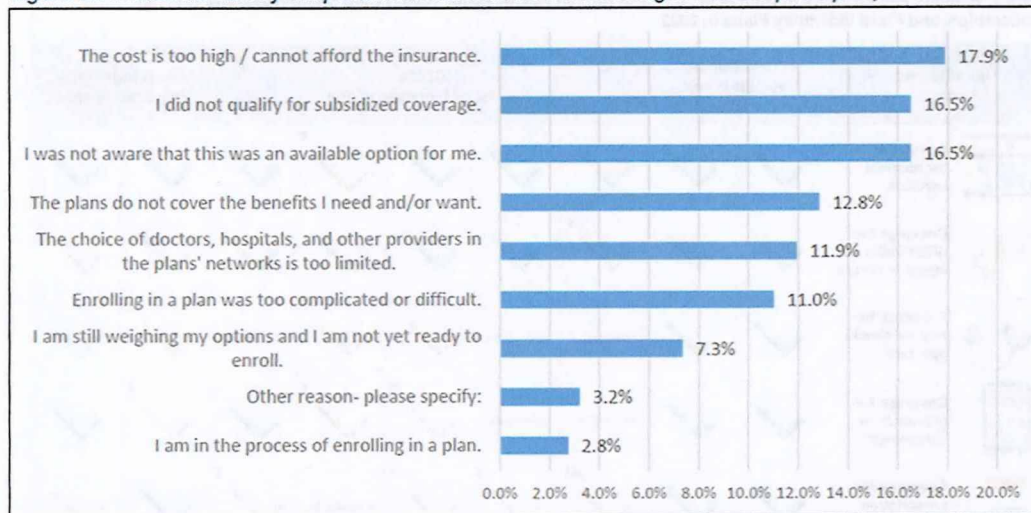


Figure 20. Wisconsin Survey Respondents: Reasons for not enrolling in a Marketplace plan, when uninsured.



We have a situation here uniquely impacting farmers which has actually existed for decades but has not been alleviated at the federal level or improved by any existing legislative proposals or programs to date. While changes to farm income calculations or a more robust healthcare option available federally would certainly serve this population, agricultural faces a critical crossroads now and needs relief.

We had initially thought we might not need legislation as other state associations are able to offer health plans to their members now under a “multiple employer welfare arrangement” (MEWA), but this type of arrangement would not serve our farmer members well as many of them are not incorporated in a way that lends itself to these types of plans.

Thankfully, we did not have to look much further to find a potential solution. In several states, Farm Bureaus are currently providing thousands of farm families with an affordable, comprehensive health coverage product provided directly through Farm Bureau that meets of Farmers. In our conversations with the other states who provide a Farm Bureau Health Plan, Tennessee is the standard and stands out as they have been providing coverage now to over 100,000 Tennesseans, and have been since 1947.

I am joined today by Ben Sanders from Tennessee Farm Bureau, so I’ll leave it for him to tell you about their experience in a little bit, but suffice to say Wisconsin Farm Bureau was intrigued by the idea and months of research and discussion led us here today.

So what exactly are Farm Bureau Health Plans and why does it need legislation to be allowed?

The proposed legislation would allow Farm Bureau to offer its members, and to qualify you must be a Farm Bureau member and have a Wisconsin address, a rated health plan option and provides a general exemption from insurance regulations for a health plan we offer.

The bill creates a definition of a “nonprofit agricultural organization” which uniquely describes the Wisconsin Farm Bureau. and would allow us to offer plans that would be medically underwritten and rated for past health experience. Meaning each applicant will be individually rated based on their medical history. This flexibility allows Farm Bureau to offer coverage at a significantly lower cost while maintaining similar comprehensive coverage that one would get under the ACA.

Figure 1: Benefits and Features of Nine Selected Farm Bureau Health Plans, Health Care Sharing Ministry (HCSM) Memberships, and Fixed Indemnity Plans in 2022

Benefits and Features	Farm Bureau Health Plans (two plans)		HCSMs (five HCSM memberships)*					Fixed Indemnity Plans (two plans) ^b	
Coverage for hospital services	✓	✓	✓	✓	✓	✓	✓ ^c	✓	✓
Coverage for office visits for injury or illness	✓	✓	✓ ^d	✓	✓	✓	✓	✓	✓ ^c
Coverage for routine check-up/exam	✓	✓	—	—	✓ ^c	✓ ^c	—	✓ ^c	✓
Coverage for preventative screenings ^a	✓	✓	—	—	✓ ^c	✓ ^c	—	✓ ^c	✓
Coverage for prescription drugs	✓	✓	✓ ^{d,f}	✓ ^f	✓ ^f	—	✓ ^f	✓	✓ ^d
Coverage for maternity services	✓ ^{c,d}	✓	✓ ^{c,d}	✓ ^c	✓ ^c	✓ ^c	✓ ^c	—	—
Coverage for mental health services	✓	✓	—	—	—	—	✓ ^g	—	✓ ^c
Immediate coverage of pre-existing conditions	—	✓	—	—	—	—	—	—	—
No per-incident, annual, or lifetime benefit maximums ^b	✓	—	—	—	—	—	—	—	—

✓ The plan we reviewed contains the feature ✓ The plan contains the feature with one of the restrictions below — The plan does not contain the feature
 Source: GAO analysis of plan documentation (data); GAO (icons) | GAO-23-106034

^aThe health care sharing ministries (HCSM) from which we gathered information did not use insurance terms, such as plan or premium, when describing their HCSM memberships.
^bAlthough one of the fixed indemnity plan sellers declined to speak with us, we obtained and analyzed a detailed plan document for their product.

The graphic above is taken from a Government Accountability Office study from 2023 of private coverage options found around the United States. Health care sharing ministries are already allowed and providing limited catastrophe coverage in Wisconsin, while indemnity plans provide a financing structure on a per incident basis rather than comprehensive coverage with preventative care, like Farm Bureau Health Plans.

As you can see here, important medical coverage like routine check-ups, preventative care, cancer screenings, prescription drug coverage, maternity coverage, hospitalizations are all covered under Farm Bureau Health Plans.

However, Farm Bureau Health Plans are able to achieve savings without skimping on coverage because, some applicants may not be offered coverage, although the goal will be to cover as many as possible. Others may have waiting periods for coverage of pre-existing conditions for up to a six-month waiting period. As can be attested to by the state Farm Bureaus offering this product now, 9 of 10 applicants are approved and offered coverage, while policyholders are regularly seeing savings between 30-60% of a

comparable unsubsidized ACA plan. While I can appreciate concern from organizations supporting individuals impacted by disease and medical conditions, our end goal is the same, to improve the health outcomes of individuals in Wisconsin. There are so many times that cancer and heart disease deaths could have been prevented with appropriate preventative screenings and routine medical care. Our plans provide this care, this will not change.

I want this to be very clear, in the event that a person does not qualify for the health benefit coverage, this legislation does not modify Wisconsin's guaranteed-issue for pre-existing conditions in any way and are still eligible for ACA or employer-based coverage. This legislation only adds to the options available for people to get coverage, and will increase coverage in Wisconsin without substantial disruption to the current health insurance market.

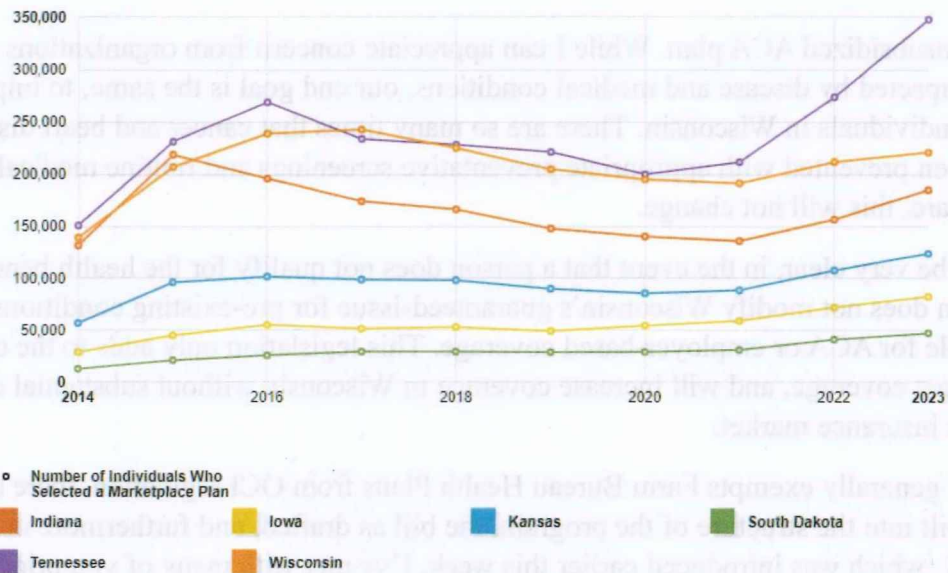
While the bill generally exempts Farm Bureau Health Plans from OCI regulation, there are a number of safeguards built into the structure of the program, the bill as drafted, and furthermore in Assembly Amendment 1, which was introduced earlier this week. I've met with many of you prior to today's hearing so I would like to address some of the questions I've heard from a number of our meetings.

This is not a new concept that needs to be developed, and it does not open the door to any fly-by-night organization to come into Wisconsin and begin offering plans. The bill limits eligibility to operate this health plan to a "nonprofit agricultural organization" which is defined in a way to limit eligibility to Wisconsin Farm Bureau. For over 100 years, Wisconsin Farm Bureau has championed the needs of farmers, protecting their interests, and improving the quality of life in rural Wisconsin. We are engrained into the fabric of this state. We're on the license plate, does Wisconsin even become America's Dairyland without the Farm Bureau? We are uniquely positioned to offer our farmer or Farm Bureau Members a proven, effective, and affordable health coverage product that is working for thousands of families in other states. It is *only* because Farm Bureau has a tangible, high quality health coverage product that you can review, analyze, and consider that we are before you asking to support this legislation today. If other organizations wish to operate a plan like this, we believe they should bring their organization before the legislature and ask for permission to do, just as Wisconsin Farm Bureau is doing so today.

The proposal we are bringing forward is already operating in six other states and has proved its merits as Ben will discuss next. We're not reinventing the wheel; the most likely way for us to make these plans available to our members is to contract with Tennessee, Iowa, or another state where the plans are currently offered.

The provisions in the bill and the amendment offered by Senator Testin require that any risk we take on under these plans be reinsured by an independent entity subject to OCI regulations, so no one is left with unpaid bills if something should go wrong, that our consumer complaint process is consistent with the process for regulated insurers in the state, and that we file a signed opinion of a qualified actuary with OCI each year to assure our practices are sound, and that we offer coverage in all 72 counties.

In terms of the potential impact Farm Bureau Health Plans could have on the ACA marketplace in Wisconsin, we fortunately again have existing models to look at to see how this is likely to play out and market data from the OCI study to provide insight into market shares now.



The graph included in my testimony, pulled from kff.org (formerly Kaiser Health News) looks at fluctuations in the ACA marketplaces in the states where Farm Bureau Health Plans currently operate. I would like to draw your attention to the yellow line showing the experience in Iowa.

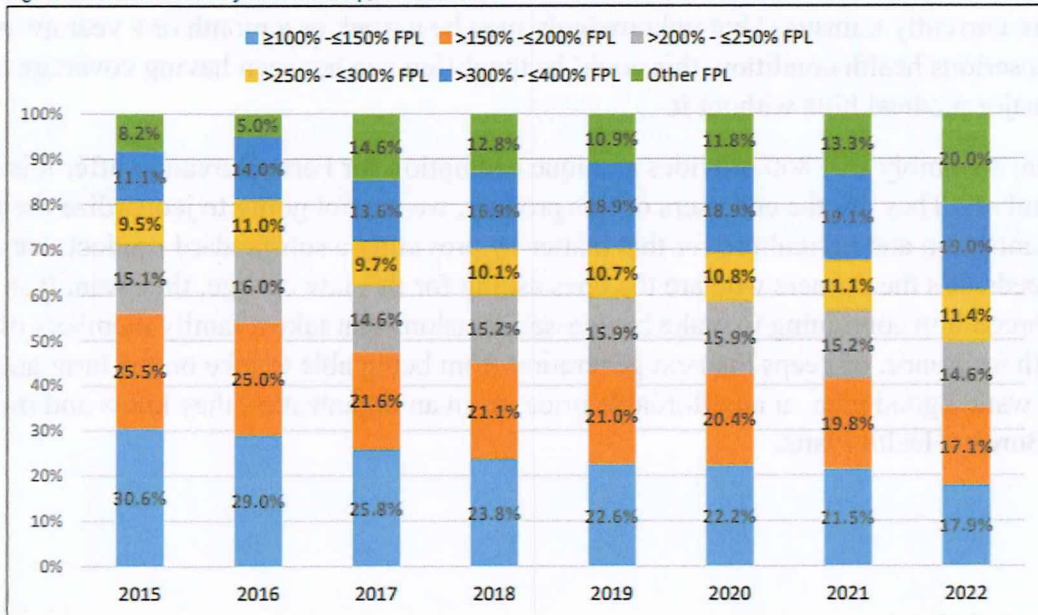
Iowa passed legislation similar to this in 2017 – on a substantially bipartisan basis in both their Assembly and Senate – and implanted their plan in 2018. Kansas in 2020. Since, enrollment in their ACA marketplaces has grown substantially, Iowa by over 50%. You can also see that the entrance of FBHP into a state did not have any substantial impact on the performance of the ACA marketplaces, and state enrollments typically flowed in unison, clearly impacted by other national factors.

I would digress here for a moment to relay something I heard recently from the Assistant Director of Kansas Farm Bureau Health Plans. Farm Bureaus are member advocacy organizations in business to provide services to their members. If someone is going to get a better deal purchasing an ACA plan they provide them with that information. In addition, while insurers in Kansas were concerned about the impact Farm Bureau plans might have on their marketplace, those concerns have not born out and at least one rural hospital has reported seeing more covered people since their plans came online. I'm sure that having more people covered by a health plan is a goal we all share.

I expect we will hear concerns raised that because our plans are rated for health history, healthy people could move away from the ACA marketplace while people with poorer health would remain in it resulting in increased rates. While this is a reasonable concern to raise, experience in other states and the reality of Wisconsin's marketplace does not bear it out.

First of all, anyone with a chronic health condition fortunately likely has coverage now and is either covered under an employer-based plan or under a plan in the ACA. If they are not, then there is another circumstance at play that is unlikely to change due to our participation. But for Farmers faced with income volatility and our members who are uninsured, but making more than 400% FPL benefit cliff but making an informed choice to go without insurance while working in a sometimes dangerous industry like farming, this plan could be a lifeline.

Figure 8. Plan Selections by Income Group, 2015-2022



The graph here was taken from the 2022 OCI study shows participation in Wisconsin's ACA marketplace by income range. Individuals who exceeded 400% FPL have typically accounted for between ten and twelve percent of the overall ACA market. The availability of federal incentives for this group increased participation in 2022 due to emergency subsidies because of the COVID pandemic, but with these incentives set to expire next year it is reasonable to presume the earlier figures are what could be expected.

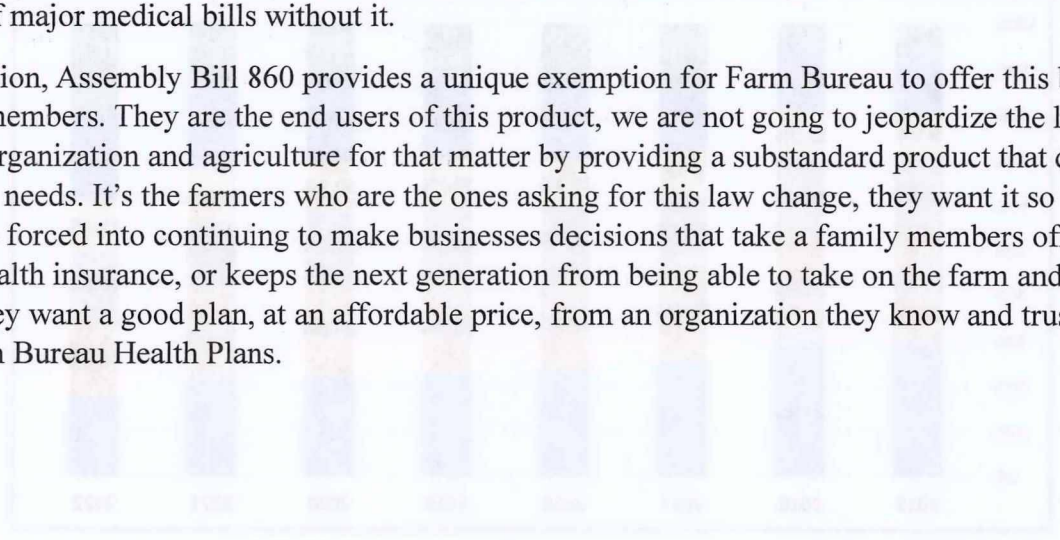
The cost savings that can be made available through our plans are substantial, but we flat out cannot compete with a plan that is federally subsidized, nor do we intend to. If someone is eligible for a federally subsidized plan they should take it, that will be the better option, and to the credit of Kansas Farm Bureau, they'll tell you that. The only portion of the market that we expect our plans to appeal to are the people who are ineligible for substantial federal subsidies. We would therefore only ever be appealing to a small portion of the market, typically those above 400% FPL or those looking for a more consistent price for healthcare in the face of significant income volatility, like farmers. Furthermore, the introduction of Farm Bureau Health Plans in other states did not create a shock to their state's marketplaces. Every Farm Bureau currently offering plans experienced modest and tempered growth, not runaway expansion of large populations leaving existing plans. While Tennessee's ACA market from 2021 to now saw over 100,000 new people enter, Farm Bureau Health Plans stayed nearly the same size.

On the other hand, the results of the OCI survey having indicated people's reasons for not signing up for ACA coverage being the price was too high, they didn't like the plan options, or they weren't eligible for a subsidy, it also seems reasonable to believe that these plans would help reduce the number of uninsured in Wisconsin.

Finally, while we review medical history when members first apply, we never re-rate them once they join our plan. This is not auto insurance where if you have a claim your rates go up because you become a poor risk. We do not shed risk, once people are in, they're in and we have no annual or lifetime caps.

Although, eventually, everyone becomes a bad risk, but your coverage under these plans is not in jeopardy. So, for those with pre-existing conditions now, this would have a minimal impact, but for those who are currently uninsured but unknowingly may be a week or a month or a year away from developing a serious health condition, this could be the difference between having coverage or facing a lifetime of major medical bills without it.

In conclusion, Assembly Bill 860 provides a unique exemption for Farm Bureau to offer this benefit to our own members. They are the end users of this product, we are not going to jeopardize the lifeblood of our own organization and agriculture for that matter by providing a substandard product that doesn't meet their needs. It's the farmers who are the ones asking for this law change, they want it so they don't have to be forced into continuing to make businesses decisions that take a family members off the farm just for health insurance, or keeps the next generation from being able to take on the farm and keep it going. They want a good plan, at an affordable price, from an organization they know and trust. They want Farm Bureau Health Plans.



The graph here was taken from the 2010 OCL study shows participation in Wisconsin's ACA... (text is mirrored and difficult to read)

The next survey that can be made available through our plans are substantial, but we can't out... (text is mirrored and difficult to read)

Finally, while we review your history when members first apply, we work to-into them once they... (text is mirrored and difficult to read)



Assembly Bill 860
Assembly Committee on Insurance
January 11, 2024

Chair Dittrich, members of the Committee, thank you for the opportunity to testify today. My name is Tim Lundquist and I am the Senior Director of Government and Public Affairs at the Wisconsin Association of Health Plans. The Association is the voice of 14 Wisconsin community-based health plans, with members serving employers and individuals across the state in a variety of commercial health insurance markets. Our members are also proud to partner with the state to serve Wisconsin's State Group Health Insurance Program and the Medicaid Managed Care program.

Community-based health plans appreciate the stated purpose of this legislation: to provide Wisconsin farmers with "another option" to access health care. Association member health plans support consumer choice of comprehensive health benefit products, which is why Association member health plans provide a variety of health benefit options to individuals and employers, to the extent allowed under state and federal law.

We also appreciate that Wisconsin farmers face unique challenges in accessing an affordable, comprehensive health benefit. However, AB 860 does not address the variety of issues that have led to these challenges –including the underlying factors that contribute cost of a comprehensive health insurance benefit. Instead, this legislation creates a new type of benefit offering that is specifically exempt from Wisconsin insurance law and may be offered at a lower cost because it does not include many of the protections that consumers in Wisconsin have come to expect. Community-based health plans do not support this approach.

Committee members should also be aware that the very features that allow these benefit products to be sold at a lower rate will create an uneven regulatory playing field. This can have real consequences on Wisconsin's health insurance marketplace, and lead to adverse selection and higher premiums in the ACA-compliant individual market. Since 2018, Wisconsin lawmakers have, on a bipartisan basis, invested significant resources into stabilizing this market and reducing premiums via the Wisconsin Healthcare Stability Plan (WIHSP). Community-based health plans oppose legislative efforts that could undermine the stability that WISHP demonstrably provides.

Community-based health plans are committed to working with policymakers and other stakeholders on addressing the affordability challenges that led AB 860 to be proposed but, for the reasons stated above, we respectfully request committee members oppose this legislation.

I would be happy to answer any questions you may have.

The Voice of Wisconsin's Community Based Health Plans

January 11th, 2024

Testimony of the Wisconsin Farmers Union
In Opposition to Assembly Bill 860: relating to Nonprofit agricultural organization health benefit coverage.
Before the Assembly Committee on Insurance

Chair Dittrich and members of the committees,

Thank you for the opportunity to submit testimony on Assembly Bill 860,

The Wisconsin Farmers Union is a grassroots member-driven organization committed to enhancing the quality of life for family farmers, rural communities, and all people. We have advocated for the expansion of quality healthcare in Wisconsin for decades and identity farmers, among other groups of self-employed individuals, often find it difficult to access affordable healthcare, creating a roadblock for prospective farmers and a significant cost and area of vulnerability for continuing farmers.¹ For that reason, we understand the intent of SB 811/ AB 860, but are opposed to the way the legislation removes important consumer protections, sets a dangerous precedent, and puts upward pressure on the rest of the insurance market.

Our members have specifically identified support for the protections provided in the Affordable Care Act (ACA) and state regulation of the Office of the Insurance Commissioner (OCI), in insuring customers receive proper service from providers, requiring and assuring adequate reserves for solvency issue protections, explicitly prohibiting providers from denying people with preexisting conditions, preventing plans from requiring extended waiting periods, generally renewing coverage, providing limits to profits and administrative costs, and requiring coverage to 10 essential health benefits. This in large part is because historically, prior to the Affordable Care Act (ACA), farmers were often excluded from private health insurance due to the health issues and safety risks inherent in farming.

AB 860 stands to repeat this practice of discrimination by allowing for pre-existing condition discrimination, the Wisconsin Farmers Union is concerned with how this could expose farmers with pre-existing conditions to the health and financial implications that come with substandard health coverage.

The average age of the American farmer is quickly approaching 60 years old, and farming is a dangerous job. As they become older, they are exposed to chemicals, they are required to do repetitive labor for their profession, and they do dangerous work. Farmers have unique health needs and comprehensive coverage is vital to ensure farmers have access to the medications, treatments, and specialists they need. We are concerned the marketing of these products can be confusing or misleading and can cause farmers to enroll in plans that do not cover their medical needs.²

Lastly, we are concerned these unregulated health products will divide the individual marketplace risk pool in Wisconsin. In other states where these plans are currently offered, it has led to raised premiums for farmers who relied upon the comprehensive coverage offered on the marketplaces, it harmed private

¹ <https://www.sph.umn.edu/news/rural-areas-have-higher-individual-health-insurance-premiums-and-fewer-plan-choices/>

² https://www.lung.org/getmedia/5b240c9a-72ec-4217-bc75-d416e6f69f51/undercovered_report.pdf

competition on the marketplaces, and persuaded insurers that sold ACA-compliant plans to leave the state.³

WFU also recognizes the new definition created in AB 860 for “nonprofit agricultural organization” is incredibly limited, and furthermore we oppose the practice of writing one organization/business into a special market niche, by law, and see it as undemocratic and due to its exclusive nature.

The Wisconsin Farmers Union is opposed to AB 860 but continues to be dedicated to working with the State Legislature to expand access to quality healthcare in Wisconsin. We urge the committee to oppose legislation providing an exemption, for one organization, to offer these type of unregulated health plans in Wisconsin.

Thank you,

Tommy Enright & Michelle Ramirez-White
Communications Director & Policy Coordinator

³ Lucia, K., & Corlette, S. (2017, June 16). What's Going on in Tennessee? One Possible Reason for Its Affordable Care Act Challenges. Georgetown University's Center on Health Insurance Reforms. <http://chirblog.org/whats-going-tennessee-one-possible-reason-affordable-care-actchallenges/>



January 11, 2024

The Honorable Barbara Dittrich
Chair, Committee on Insurance
Wisconsin State Assembly
Room 317 North
State Capitol
Madison, WI 53708

Dear Chair Dittrich:

The Leukemia & Lymphoma Society (LLS) appreciates the opportunity to comment on AB 860, legislation allowing the Wisconsin Farm Bureau to create a health benefit product for its members. Our mission is to cure leukemia, lymphoma, Hodgkin's disease, and myeloma and improve the quality of life of people living with blood cancer, and their families. We support proposals that improve access, cost and quality of health insurance coverage, but there are better answers than the products AB 860 would allow.

Wisconsin consumers deserve health coverage that delivers a stable, high-quality product they can afford to use when illness strikes. It should include a full benefit set to protect people when they become sick and should be available regardless of one's medical history to prevent discrimination. Good coverage should also be properly regulated to ensure that customers' financial and medical interests are protected.

The products allowed under AB 860 would fall troublingly short of these measures. A partial list of LLS' concerns¹ includes:

- Nearly 2 in 3 farmers have pre-existing conditions², but these products would not be required to accept people with pre-existing conditions³. If people with pre-existing conditions are accepted, they could be charged a higher premium and not have coverage for care related to their pre-existing conditions.
- These new products would not have to limit annual and lifetime out-of-pocket costs and could put caps on key benefits. This could leave patients with massive medical bills or force them to forgo needed treatment.
- Consumers would also face the risk of rescission, the practice of retroactively canceling coverage or payment for services based on a person's medical history.
- These products would have no oversight from the state Office of the Commissioner of Insurance.

¹ 30 Patient Advocacy Organizations. "Under-Covered: How 'Insurance-Like' Products Are Leaving Patients Exposed." March 2021. https://www.lls.org/sites/default/files/National/undercovered_report.pdf. Accessed 10 Jan. 2024.

² Inwood, Shoshannah, et al. "Health Insurance and National Farm Policy." Choices, vol. 33, no. 1, 2018, pp. 1-7. JSTOR, <http://www.jstor.org/stable/26487425>. Accessed 10 Jan. 2024.

³ U.S. Government Accountability Office. "Private Health Coverage: Information on Farm Bureau Health Plans, Health Care Sharing Ministries, and Fixed Indemnity Plans." July 2023. <https://www.gao.gov/assets/gao-23-106034.pdf>. Accessed 10 Jan. 2024.

LLS supports innovative efforts to improve health coverage affordability and access, but not if these efforts compromise the ability of blood cancer patients to receive the care they need. Please do not advance AB 860 to ensure that Wisconsin consumers can rely on high quality standards and strong consumer protections in their health coverage.

Sincerely,

Dana Bacon
Senior Director, State Government Affairs
The Leukemia & Lymphoma Society
dana.bacon@lls.org

Cc: Members of the Wisconsin State Assembly Committee on Insurance



American Cancer Society
Cancer Action Network
608.215.7535
sara.sahli@cancer.org
fightcancer.org/wisconsin

January 11, 2024

To: Assembly Committee on Insurance
From: The American Cancer Society Cancer Action Network
Re: Testimony in Opposition to Assembly Bill 860

Good morning, Chairwoman Dittrich and members of the Committee,

My name is Sara Sahli, I'm the Government Relations Director for the American Cancer Society Cancer Action Network (ACS CAN) in Wisconsin. ACS CAN is the nonprofit, nonpartisan advocacy affiliate of the American Cancer Society advocating for evidence-based public policies to reduce the cancer burden for everyone.

The American Cancer Society Cancer Action Network is submitting testimony in opposition to Assembly Bill 860. This bill authorizes the sale of unregulated health products that could discriminate against Wisconsinites with pre-existing conditions. This bill would leave Wisconsinites, including cancer patients, exposed to medical and financial harm.

As an organization committed to reducing death and suffering from cancer, we are concerned about this legislation for several reasons:

1. Assembly Bill 860 plans look like health insurance but offer none of the state law safeguards important to diagnosing and treating cancer.

Wisconsin state law provides a number of protections important to cancer patients and to ensuring that insurance coverage in Wisconsin covers screenings and treatments for cancer. These state law provisions have been in place for many years and have been enforced by the Wisconsin Office of the Commissioner of Insurance. AB 860 plans will not have to comply with laws that require coverage of cancer screenings, place limits on out-of-pocket costs and improve access to clinical trials and oral chemotherapy.

2. Wisconsinites may be left without coverage, face large costs, or be denied coverage.

These plans have no protections for people with "pre-existing conditions." That means they can charge farmers with pre-existing conditions larger premiums or decline to cover them all together. It also means they can decline to cover the person after they are diagnosed, based on medical history. In the past, we have seen situations where cancer patients faced large medical bills, because their cancer was considered a "pre-existing condition." While the bill includes language to limit preexisting condition exclusions to six months, it's critical that someone diagnosed with an aggressive cancer get care in that time period.

If these plans drop a person who is diagnosed with cancer, the person may be outside the time frame where they can purchase insurance on the exchange. They may have to delay treatment until the next time they can enroll in a comprehensive insurance plan. Two out of three farmers and ranchers reported having a pre-existing condition in a USDA survey.

3. These aren't affordable options for many Wisconsinites.

Assembly Bill 860 plans may cherry-pick healthy customers and reject people with histories of illness (something that other Wisconsin insurers can't do). This drives up costs for other privately insured consumers.

For these reasons, we oppose Assembly Bill 860 and ask you to vote no.



TO: Assembly Committee on Insurance
FROM: Nicole Hudzinski, Government Relations Director, American Heart Association
DATE: January 11, 2024
RE: Assembly Bill 860, relating to nonprofit agricultural organization health benefit coverage

Good afternoon, Chair Dittrich and members of the Assembly Committee on Insurance. My name is Nicole Hudzinski, and I am the Government Relations Director here in Wisconsin for the American Heart Association (AHA). On behalf of the American Heart Association, we would like to express our concerns with Assembly Bill 860.

We have long advocated for all Americans have access to affordable, understandable, and adequate healthcare. We applaud efforts to create opportunities for lower cost healthcare options, but we do not believe the proposal before you is the answer. Plans like this often offer more affordable coverage, but they frequently lack important standards that shield enrollees—in this case farm families—from unnecessary risk and potential financial hardship. We are concerned that the proposal will leave enrollees with insufficient coverage, unpaid medical bills, and lifelong health implications.

Health coverage should be affordable, adequate, and understandable. All plans should be required to cover a full range of needed health benefits with a comprehensive and stable network of providers and plan features. Information regarding costs and coverage should be available, transparent, and understandable to the consumer prior to purchasing a plan. State oversight is critical, and there must be an appeals process.

We are deeply concerned that the benefit provided by this proposal would offer inadequate coverage to the communities we represent. One of the most troubling aspects of the proposal is that it allows plans to exclude coverage for essential health benefits (EHB), such as emergency services, prescription drugs, and chronic disease management, wellness and preventive services. This is deeply concerning because patients with cardiovascular disease (CVD) rely on these coverage requirements for access to medically necessary care.

Additionally, consumer protections designed to protect people with preexisting conditions are lacking. Consequently, plans outlined in the proposal could simply avoid covering people with medical needs. Exploiting benefit design, plans could attract healthier groups by not providing coverage to higher-needs populations, leaving vulnerable populations, such as those with cardiovascular disease and its risk factors, left with fewer options. Failure to extend these protections will also place the regulated health insurance markets in jeopardy, as plans outlined in the proposal would be free to cherry pick healthy consumers out of the regulated markets, leaving those markets to fail as the risk pool worsens.

Network adequacy is also a concern of ours. While regulated health plans must meet certain quantitative standards to ensure beneficiary access to varying medical services, such as primary

care, rehabilitation and habilitation, preventive, and emergency services, the plans outlined in the legislation are not required to comply with these same standards. This is particularly concerning for the AHA as the communities we represent oftentimes need access to emergency services, outpatient care, rehabilitation, and specialty physicians. These important and medically necessary physicians and health services can also be some of the most expensive. Without regulation and oversight of network adequacy, the physicians and services CVD patients rely on could be excluded from provider networks altogether.

Lastly, we oppose any proposal that would exempt health benefit coverage from state regulation. States have long taken the lead in protecting patients by addressing insolvencies and fraud and maintaining competitive markets. States have the history, resources, and local expertise to serve in this role; we strongly urge oversight by the Office of the Insurance Commissioner.

The American Heart Association is committed to ensuring all Americans have access to affordable, understandable, and adequate healthcare. The weakening of oversight and consumer protection standards included in this proposal could jeopardize access to meaningful coverage in a number of ways for vulnerable Wisconsinites, including those with cardiovascular disease and stroke.

Thank you again for the opportunity to submit our concerns regarding Assembly Bill 860.

January 11, 2024



Testimony of the American Lung Association
In opposition to Assembly Bill 860
In front of the Assembly Committee on Insurance

Chair Dittrich and members of the committee,

The American Lung Association is the oldest voluntary public health organization in the United States and believes everyone should have quality and affordable healthcare coverage. However, expanding access to plans offered through “nonprofit agricultural organizations” would not provide consumers with the coverage that they need to stay healthy, and would be particularly harmful for patients with pre-existing conditions like asthma, COPD, lung cancer and other lung diseases. The American Lung Association in Wisconsin urges members to oppose legislation that would expand these types of plans in Wisconsin.

While plans sold through the state’s individual insurance marketplace are required to cover essential health benefits including prescription medications and hospitalizations, farm bureau plans lack these requirements for robust and comprehensive coverage. By excluding certain key services, as well as by allowing pre-existing condition exclusions for up to six months, farm bureau plans expose patients with pre-existing conditions to significant financial and health risks inherent in substandard coverage.

Meanwhile, the marketing of these products can be confusing or misleading and can cause individuals to enroll in plans that do not align with their medical needs or expectations.ⁱ The bill’s prohibition against the plan being called “insurance” and some required disclaimers are not sufficient to give people the information they need to make an informed choice. Farmers have unique health needs, including increased prevalence of respiratory diseases like non-allergic asthma and both chronic and acute bronchitis.ⁱⁱ Comprehensive coverage is vital to ensure lung disease patients have access to the medications, treatments and specialists they need.

Additionally, farm bureau plans will likely attract younger and healthier individuals, dividing the individual marketplace risk pool in Wisconsin. This will result in a spike in premiums for comprehensive plans sold in the marketplace, the only ones that will cover the treatments and services that people with lung disease need. Patients with lung disease should not have to pay higher premiums because they need coverage for a pre-existing condition.

Similar plans also have a history of fraud and insolvency.ⁱⁱⁱ If this continues, patients could pay their premiums but still not have the coverage they were promised when they get sick. This could leave patients with lung cancer and other expensive illnesses with massive medical bills or force them to forgo needed treatment. Medical debt is already the largest source of debt in collection in the United States, where one in three adults carry medical debt.^{iv} AB 860 may put more patients at risk of accumulating medical debt due to misleading coverage policies.

The American Lung Association in Wisconsin is committed to working with you to expand access to quality and affordable health coverage, but farm bureau plans are not the right solution. The Lung Association urges this committee to oppose legislation that would expand these types of health benefit plans in Wisconsin.

Molly Collins
Advocacy Director for Wisconsin
262-395-1700 | Molly.Collins@Lung.org

ⁱ Under-Covered: How "Insurance Like" Products Are Leaving Patients Exposed. 2021 https://www.lung.org/getmedia/5b240c9a-72ec-4217-bc75-d416e6f69f51/undercovered_report.pdf

ⁱⁱ Kirkhorn, Steven and Marc B. Schenker. *Human Health Effects of Agriculture: Physical Diseases and Illnesses*. Accessed at: <http://nasdonline.org/1827/d001772/human-health-effects-of-agriculture-physical-diseases-and.html>

ⁱⁱⁱ Kofman, Mila, Eliza Bangit and Kevin Lucia. The Commonwealth Fund. *MEWAs: The Threat of Plan Insolvency and Other Challenges*. March 2004. Accessed

at: https://www.commonwealthfund.org/sites/default/files/documents/media_files_publications_issue_brief_2004_mar_mewas_the_threat_of_plan_insolvency_and_other_challenges_kofman_mewas_pdf.pdf

^{iv} <https://www.whitehouse.gov/briefing-room/statements-releases/2022/04/11/fact-sheet-the-biden-administration-announces-new-actions-to-lessen-the-burden-of-medical-debt-and-increase-consumer-protection/>

The American Lung Association is the only national organization that provides free, confidential, and professional support for people with lung disease. We offer a variety of services, including a 24-hour helpline, online chat, and support groups. We also provide information on lung disease prevention, diagnosis, and treatment. Our goal is to help people live better lives with lung disease.

While plans and through the state's individual marketplaces are required to cover essential health benefits including prescription medications and cost-sharing, not all plans meet the requirements for robust and comprehensive coverage. By excluding certain key services, as well as by setting pre-authorization barriers, some plans fail to provide the level of care that people with lung disease need. The American Lung Association is working with state regulators to ensure that all plans meet the minimum standards for lung disease coverage.

Meanwhile, the marketing of these products can be confusing or misleading and can cause confusion. It is important to understand the details of these products and to compare them to the plan being called "insurance." Some plans may not be true insurance. People have a right to know the information they need to make an informed choice. People have a right to know the details of the cost of respiratory disease care, including the non-allergic asthma and COPD care. People have a right to know the details of the cost of respiratory disease care, including the non-allergic asthma and COPD care.

Additionally, some plans may not be true insurance. People have a right to know the details of the cost of respiratory disease care, including the non-allergic asthma and COPD care. People have a right to know the details of the cost of respiratory disease care, including the non-allergic asthma and COPD care.

Similar plans also have a history of not providing necessary services. People have a right to know the details of the cost of respiratory disease care, including the non-allergic asthma and COPD care. People have a right to know the details of the cost of respiratory disease care, including the non-allergic asthma and COPD care.

The American Lung Association is committed to working with you to ensure you have the best possible coverage. We offer a variety of services, including a 24-hour helpline, online chat, and support groups. We also provide information on lung disease prevention, diagnosis, and treatment. Our goal is to help people live better lives with lung disease.

Molly Collins
Advocacy Director for Wisconsin
608-785-1100 | molly@lung.org

**Assembly Bill 860
Opponent Testimony**

Gary Dougherty
Director, State Government Affairs
American Diabetes Association®
Assembly Insurance Committee
January 11, 2024

Chair Dittrich, Vice Chair Callahan, and Members of the Assembly Insurance Committee:

My name is Gary Dougherty and I am the Director of State Government Affairs for the American Diabetes Association® (ADA), the nation's leading voluntary health organization fighting to bend the curve on the diabetes epidemic. Founded in 1940, the ADA is made up of people with diabetes, healthcare professionals, research scientists, and other concerned individuals. The ADA's mission is to prevent and cure diabetes and to improve the lives of all people affected by diabetes.

I regret that I am unable to join you today; however, on behalf of the more than 2.1 million Wisconsinites with or at risk for diabetes, I would like to share with you the opposition of the ADA to Assembly Bill 860 which would allow certain agricultural organizations to provide inferior health coverage to their members, coverage that lacks key benefits and consumer protections.

Among the ADA's priorities is to ensure all people with and at risk for diabetes have access to adequate and affordable health care. Unfortunately, AB 860 is not the answer.

The coverage envisioned by AB 860 is not insurance and is not subject to the insurance laws of the state. Administrators of such non-insurance plans typically rely heavily on medical underwriting, selectively choosing the plan participants. Applicants are often asked to fill out lengthy medical histories and may be asked to submit medical records. Plan administrators can reject people or charge them more due to their health status and treatment for pre-existing conditions, like diabetes, may not be covered for up to six months. ADA has concerns for those individuals with diabetes who are in need of robust, comprehensive coverage.

With the enactment of the Affordable Care Act (ACA), there was a guarantee of health insurance coverage, offering access to a comprehensive set of benefits, regardless of health status, and providing critical protections that ensure individuals with diabetes and others with pre-existing conditions have access to the services and treatments they need to manage their disease. Unregulated non-insurance plans, such as those that would be allowed under AB 860, expose



Connected for Life

consumers to often-misunderstood risks and have caused financial and medical harm to patients with pre-existing conditions.

By segmenting the insurance market risk pool, these non-insurance plans drive up insurance premiums for people who rely on comprehensive insurance coverage. Significantly, the impact of the legislation will be a threat to the stability of the individual marketplace, leaving individuals with diabetes with two bad options: higher premiums and fewer choices for an ACA-compliant plan, or a non-ACA-compliant plan with severely limited coverage and high out-of-pocket costs.

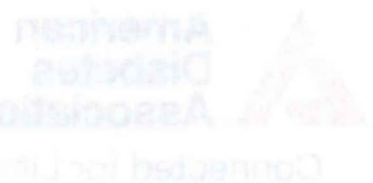
In comparison to the consumer protections that apply to ACA-compliant health insurance, non-compliant plans fail to provide the same degree of certainty and security for patients and consumers.

Reliable, comprehensive health coverage is one of the few things that stands between illness and medical and financial ruin. The American Diabetes Association® urges you to reject AB 860 and maintain the stability of the individual health insurance market as well as meaningful access to comprehensive coverage for people with pre-existing conditions.

Thank you very much for your attention. If you have any questions, please direct them to me at gdougherty@diabetes.org and I will do my best to answer them for you.

Gary Dougherty
Director, State Government Affairs
1-800-676-4065 Ext. 4832
gdougherty@diabetes.org

1-800-DIABETES (342-2383)



diabetes.org
@AmDiabetesAssn

Testimony on Assembly Bill 860
Melissa Duffy, Former Executive Director
of the Farmers' Health Cooperative of Wisconsin
January 11, 2024

Thank you, Madam Chair and members of the committee, for hearing my testimony today. My name is Melissa Duffy and I'm not here on behalf of any organization. I'm here because earlier in my career, I spent 4 years of my life trying to help farmers gain access to more affordable health care and health coverage and I have concerns for farmers should AB 860 pass.

I want to take you on a journey back to the early 2000's when health insurance looked very different than it does today. Back then, people who did not have access to employer sponsored coverage, including most farmers, struggled to get health coverage. If an individual had any health issue whatsoever - everything from migraines to being overweight or pregnant - they would be denied coverage. And back then, farmers were seeing double digit premium increases every year so if you were successful in getting coverage it was hard to keep it. If you became sick while you were insured, your premium renewal would be so expensive that you were forced to go on Wisconsin's high-risk pool, called HIRSP, which was really expensive. That's the environment that existed when a team of people came up with a uniquely Wisconsin solution to create a health insurance purchasing cooperative for farmers and agribusinesses.

The first step was enabling legislation that allowed farmers and agribusiness to come together and pool their risk as a large group. Then we went to work to secure federal funding to "buy down the risk" of the co-op, because no health insurance company would be willing to work with us otherwise. I remember very clearly one health insurer declining to work with us by comparing farmers to lepers. Eventually, we found an insurance partner and launched the Farmers' Health Cooperative of Wisconsin.

Farmers Health Co-op still exists today and over the years helped thousands of farmer families afford coverage. I won't take up more of your time with the details, but I can tell you it was carefully crafted to help all farmers without suboptimizing the rest of the insurance market. And it was successful in keeping annual premium increases for farmers below 10%.

Fast forward to 2010 – Obamacare passes. You may or may not like ObamaCare, but we should be honest about what it does. It gives individual health insurance purchasers, including farmers, access to comprehensive health benefits – significantly more generous than what was available in the old days. It requires coverage for pre-existing conditions and includes a raft of other consumer protections such coverage for essential health benefits and no price increases based on health status. No one can be denied coverage. You don't have to pay more for coverage if you're sick. And, the federal government is providing advanced tax credits to bring down monthly costs to consumers.

But ObamaCare has serious flaws. For one, it does nothing to address high health care prices, so health care has continued to get more expensive and insurance with it. And if the Farmers Health Cooperative wanted to continue to serve its members, it had to become "grandfathered" which means it can longer accept new enrollees. And, ObamaCare's tax credits are complicated as heck for farmers, because the tax credits are based on taxable income. We know that farmers' incomes can fluctuate dramatically from

year to year, but that is especially true if they buy an expensive piece of equipment and depreciation comes into play. One year a farmer could have great Obamacare coverage and pay nothing for it, the next year they could have to pay \$1000 a month for a similar policy.

I tell you all this to communicate that I understand and care deeply about this issue. And I implore this committee not to pass a bill that gives farmers access to second class coverage that doesn't cover preexisting conditions from day one, and that does not have all of the consumers protections in place that state and federal laws require. If there is any profession in this dairy state that deserves the best coverage we have to offer, it's farmers. So why would we pass legislation that exposes a farm family to a health insurance policy that excludes coverage for a cancer treatment when they need it, or a heart attack that could be tied to a preexisting condition?

I registered for information only, because I didn't want to oppose this bill without also offering a solution. When it comes to this issue, we have a lot of good things going for us as a state. There are a lot of people and organizations here that are very interested in protecting farmers including the authors of this bill and the Farm Bureau. I know their intentions are good and that they mean to help. USDA, DATCP, Farmers Union, Cooperative Network and many others also want the best for farmers. What I'm proposing is that we take this bill back to the drawing board and convene some meetings to brainstorm solutions that will address the root cause of this problem – farm accounting, depreciation income – in a way that makes comprehensive coverage more affordable and preserves preexisting condition coverage and all the consumer protections for farm families. Our farmers deserve that.