



WISCONSIN LEGISLATURE

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

Sen. Pat Testin and Rep. Tony Kurtz

**Testimony before the Senate Committee on Insurance and Small Business on
Senate Bill 811**

Thank you Chair Felzkowski and Committee Members for the opportunity to testify on Senate Bill 811.

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.

SB-811 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.

Senate 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.

We respectfully request your support of Senate Bill 860 and thank you for taking the time to read our testimony today.



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Support of Senate Bill 811
Assembly Committee on Insurance
Thursday, January 18

Thank you Chair Felzkowski and members of the Senate Committee on Insurance and Small Business for the hearing Senate Bill 811.

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.

Senate Bill 811 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 Senate Bill 811.



Wisconsin Office of the
COMMISSIONER
OF INSURANCE

Tony Evers, Governor of Wisconsin
Nathan Houdek, Commissioner of Insurance

DATE: January 18, 2024

TO: Senator Mary Felzkowski, Chair
Senator Rob Hutton, Vice-Chair
Members, Senate Committee on Insurance and Small Business

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

SUBJECT: Public Hearing on Senate Bill 811

Chair Felzkowski and members of the committee, thank you for considering our written testimony today in opposition to Senate Bill 811 (SB 811).

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.

SB 811 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. Recently, 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 SB 811.

Testimony on 2023 Senate Bill 811

Senate Committee on Insurance and Small Business

January 18th, 2024

Good morning, Chair Felzkowski and Committee Members and thank you for the opportunity to testify today on 2023 Senate Bill 811 which would allow Wisconsin Farm Bureau Federation to provide a health plan as a benefit to our members.

We have members here today who will speak to the need for these plans in Wisconsin, but in short, their current health care options in Wisconsin have not adequately met the needs of farmers. The way farmers' Modified Adjusted Gross Income is counted for the purposes of Affordable Care Act (ACA) incentive eligibility artificially inflates their income and excludes many from subsidy eligibility.

In addition, farm income by its nature is very volatile. Consider that Class III Milk prices, the price for the milk that goes into cheese which is where 90% of Wisconsin milk goes, has swung from a low of \$12.60 to a high of \$25 and back down to \$14 since 2021.

This creates a moving target for farmers to budget for health care expenses as they often teeter on the subsidy benefit cliff. While it can be easy to say try and modify farm income accounting at the federal level, I would contest that it has been 15 years since the creation of ACA, and we are no closer to this problem being alleviated.

As I or Tim Fiocchi, Senior Director of Government Relations for Wisconsin Farm Bureau, have met with everyone on the committee or your staff prior, I would like to focus on the functions of the bill, Senate Amendment 1, and a few items that have come up in discussions on the bill.

Senate Bill 811 defines a “nonprofit agricultural organization”, only for the purposes of our health statutes, essentially as Wisconsin Farm Bureau and exempts a health plan offered by us from application of insurance law. This is necessary to limit the authorization of this health benefit plan to only Wisconsin Farm Bureau, a known organization with a long tenured history in this state, to provide an existing and known product to its members. Farm Bureau was established in Wisconsin over 100 years ago and Farm Bureau Health Plans are currently available in six other states and have a long and successful track record of providing benefits to farmers and their families. 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.

The bill authorizes us to provide health plans to our members and requires us to provide written notice to members that these health plans are not legally health insurance and require signature acknowledgement. It allows us to decline to provide someone coverage or require up to a six-month waiting period for coverage of a pre-existing condition. It also requires that we reinsure any risk taken on in providing the plans with a company authorized to provide reinsurance in Wisconsin under the oversight of the Office of the Commissioner of Insurance (OCI).

Senate Amendment 1 adds several requirements that further the intent of the bill and codify additional policyholder protections. Under the amendment, if we offer these plans, we must offer them in every county in the state. It requires that we annually provide OCI with an attestation that we remain a qualified nonprofit and provide a signed opinion from a qualified actuary that our financial reserves are

adequate. Finally, it requires we maintain a consumer complaint process that is consistent with the process OCI requires for insurers in the state. These are all things that we do as a matter of course but want to codify in the statute to provide guarantees to the Legislature, the Administration, and our members.

I believe that covers the functions of the bill but would add a few comments about concerns that have been raised over the effect on those with pre-existing conditions and impacts to Wisconsin's Affordable Care Act (ACA) marketplace.

Regarding those who have pre-existing conditions, anyone with a chronic health condition likely has coverage now, but for anyone who does not, Wisconsin will continue to have guaranteed issue from the ACA or employer-based plans regardless of the authorization of our plan. This bill does not take anything away from what is currently available, it only adds to the options available.

Our plans are rated for health history and because of that we can provide rates thirty to sixty percent less expensive than similar unsubsidized ACA plans. That being the case, concerns have been raised about healthy people moving away from the ACA marketplace while people with poorer health would remain in it resulting in premium rate impacts. While this is a reasonable concern, it doesn't bear out.

Around ninety percent of people enrolled in the ACA in Wisconsin receive a premium subsidy. While our rates are lower than an unsubsidized plan, we are never going to compete on price for someone who is eligible for a premium subsidy, nor do we intend to; our potential impact to that pool is already structurally limited. In addition, we've seen how the entry of Farm Bureau Health Plans have played out in states where these same concerns were raised, and their markets have not seen any substantial disruption. In fact, all states that have authorized a Farm Bureau Health Plan have seen concurrent increases in marketplace enrollment, including in Kansas. Joining us today is Erin Petersilie, from Kansas Farm Bureau Health Plans, who in a moment can offer perspective on Kansas's experience in establishing and offering a Farm Bureau Health Plan.

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. We do and will not "shed risk" into the ACA; once you are in, you're in without any annual or lifetime caps.

In conclusion, Senate Bill 811 provides a unique exemption for Farm Bureau to offer this benefit to our own members. Our members are the end users of this product; we are not going to jeopardize the lifeblood of our own organization by providing a substandard product that doesn't meet their needs. It's farmers asking for this law change so they don't have to continue to make business decisions that take a family member off the farm just for health insurance or discourage the next generation from taking over the farm. They want a good plan, at an affordable price, from an organization they know and trust. They want Farm Bureau Health Plans.

Testimony on 2023 Senate Bill 811
Senate Committee on Insurance and Small Business
January 18, 2024

Good afternoon, Chair Felzkowski and Committee Members and thank you for opportunity to hear Senate Bill 811, to allow the Wisconsin Farm Bureau to provide health care coverage plans as a benefit to our members.

My name is Joe Bragger, I'm a farmer from Buffalo County and Vice-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 Relations Executive Director and Erin Petersilie, Assistant Director of Kansas Farm Bureau Health Plans.

I would like to thank the bill's authors, Senator Pat Testin and Representatives Tony Kurtz 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 care 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 due to the demographics and financial structure of our farms.

There are approximately 50,000 people in Wisconsin who make more than 400% of the federal poverty level who are typically 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 the 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.

Farm Bureau Health Plans

Highlights from:

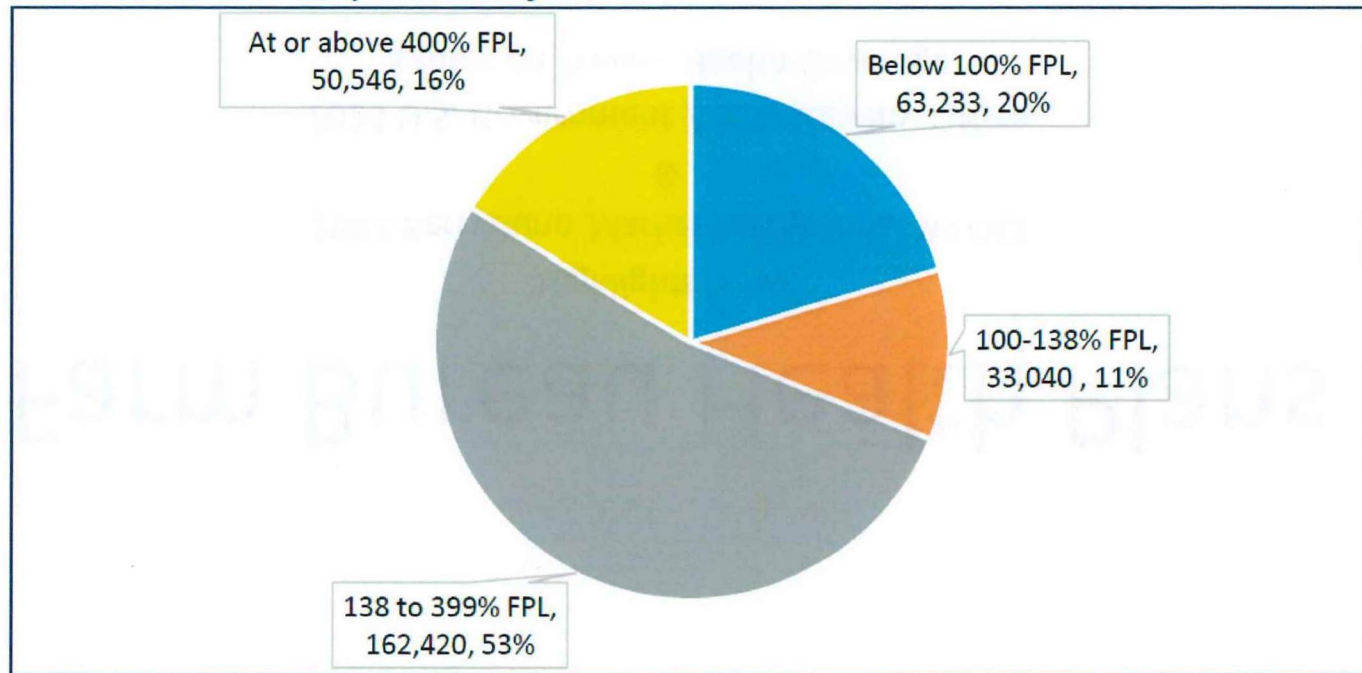
2022 BerryDunn Market Analysis for WI OCI

&

2023 U.S. Government Accountability Office

Report on Private Health Coverage

Panel B. Total Uninsured, by Income Range



In Brief

- The data reported here suggest an opportunity for education and outreach about the options, available financial assistance for, and benefits of comprehensive coverage in the individual market. The data also help inform strategies that could be adopted to expand coverage, including how and where to best allocate resources.
- The number of uninsured residents in Milwaukee County (54,665) far exceeds the total number of uninsured residents in any other Wisconsin county. Clark and Menominee Counties have the largest percentage of uninsured residents, with over 20% of their populations uninsured.
- Nearly half (47%) of Wisconsin's uninsured residents are estimated eligible for Marketplace-based premium tax credits, while another 28% of uninsured residents are estimated eligible for Medicaid/BadgerCare.
- Over 200,000 Wisconsin consumers selected plans through the ACA Marketplace in 2022. Most of these consumers qualified for premium subsidies, expanded under the COVID-19 public health emergency. The newly enacted Inflation Reduction Act of 2022 extends the enhanced subsidies for Marketplace plans for three years, through 2025.
- The coming year may bring an unwinding of pandemic-related Medicaid expansion, with a large shift in eligibility from Medicaid to Marketplace. Well-targeted outreach and enrollment efforts can optimize opportunities, and minimize negative effects associated with these policy uncertainties.
- Young adults (ages 18-34) account for a declining portion of individual market enrollees. Young adults also account for a substantial portion of the state's uninsured rate. Targeted efforts to increase enrollment of young adults will improve the individual risk pool and help reduce premium rates overall – attracting enrollment by others and further reducing the uninsured rate.
- Consumers in the lowest income ranges (including those below 250% FPL that qualify for cost-sharing reductions) account for a declining proportion of Marketplace consumers. Consumers with incomes over 300% FPL account for an increasing share of Marketplace plans, with consumers in the 300-400% FPL range increasing the most.
- Confusion around insurance plan design commonly impedes effective plan selection. Consumers often select plans based on lower premiums, and may not fully account for their cost exposure through deductibles and other cost-sharing. As well, consumers can have difficulty making optimal decisions when sorting through various plan design features within and across metal levels. Confusion sometimes leads consumers to forego health insurance coverage. Consumers who purchase non-comprehensive forms of coverage, such as short-term limited duration plans, cite lower prices, limited other options, and not expecting to need much health care.
- State survey results align with national surveys and confirm the need for further outreach efforts to address consumer knowledge and understanding of 1) coverage options, available subsidies, and enrollment assister resources; and 2) cost-sharing, deductibles, and other health insurance plan design features.
- Wisconsin survey respondents report relying heavily on "word of mouth, friends, family neighbors, work, social gatherings" for information about health insurance. Respondents also confirm the importance of local resources and trusted community advisors.
- Effective outreach focuses on using trusted messengers with a localized message and who can organize community events. Consumers are also more likely to enroll in coverage, and make more informed plan selections, when working with an enrollment assister.

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

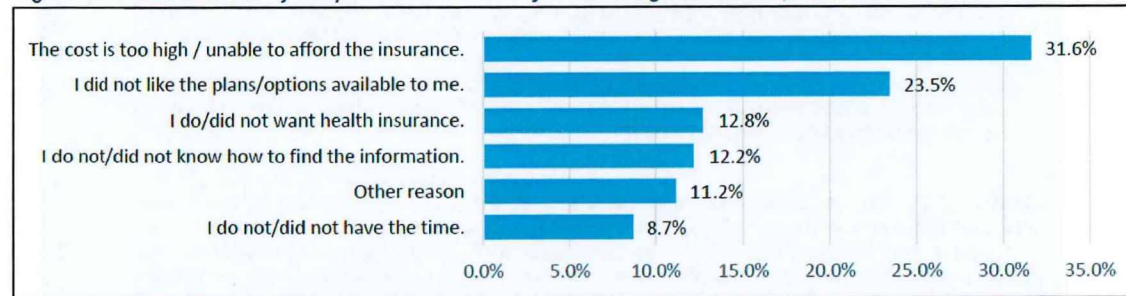


Figure 20. Wisconsin Survey Respondents: Reasons for not enrolling in a Marketplace plan, when uninsured.

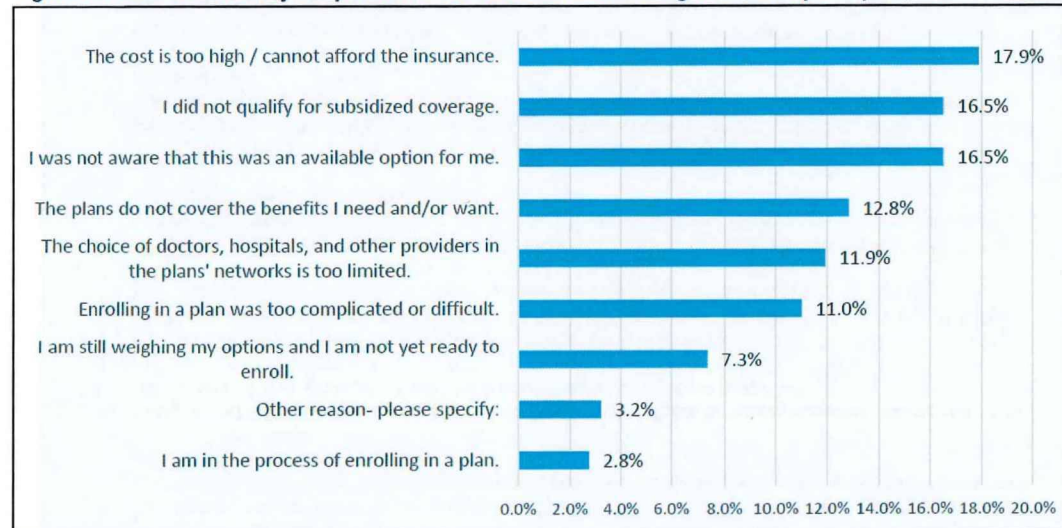
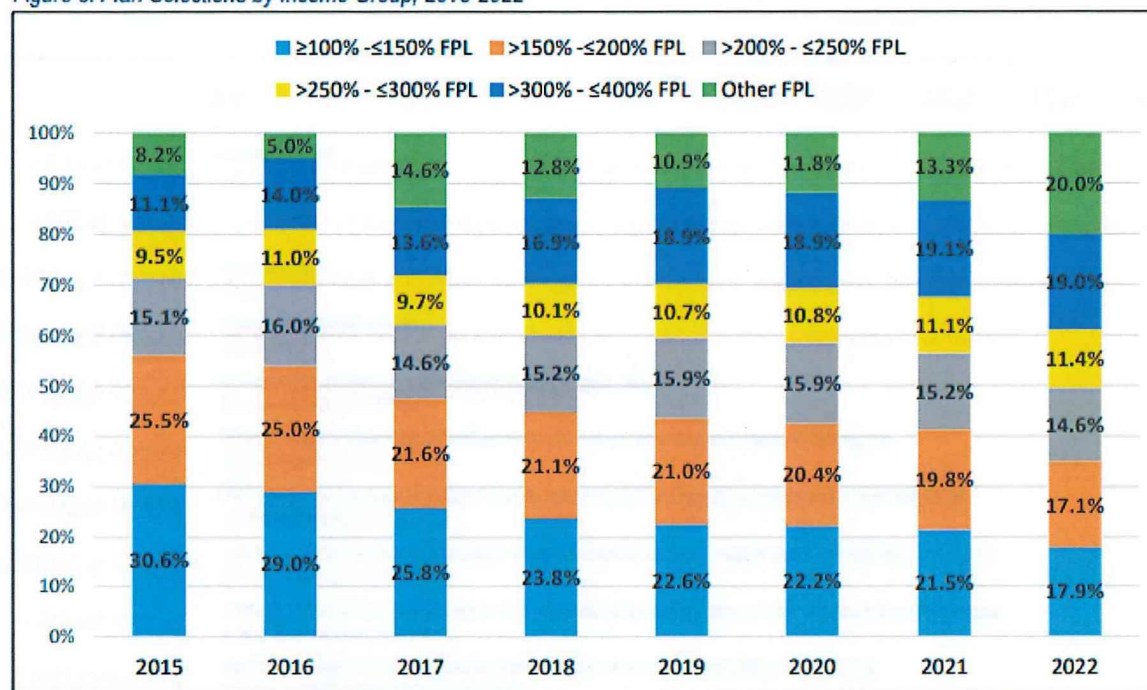
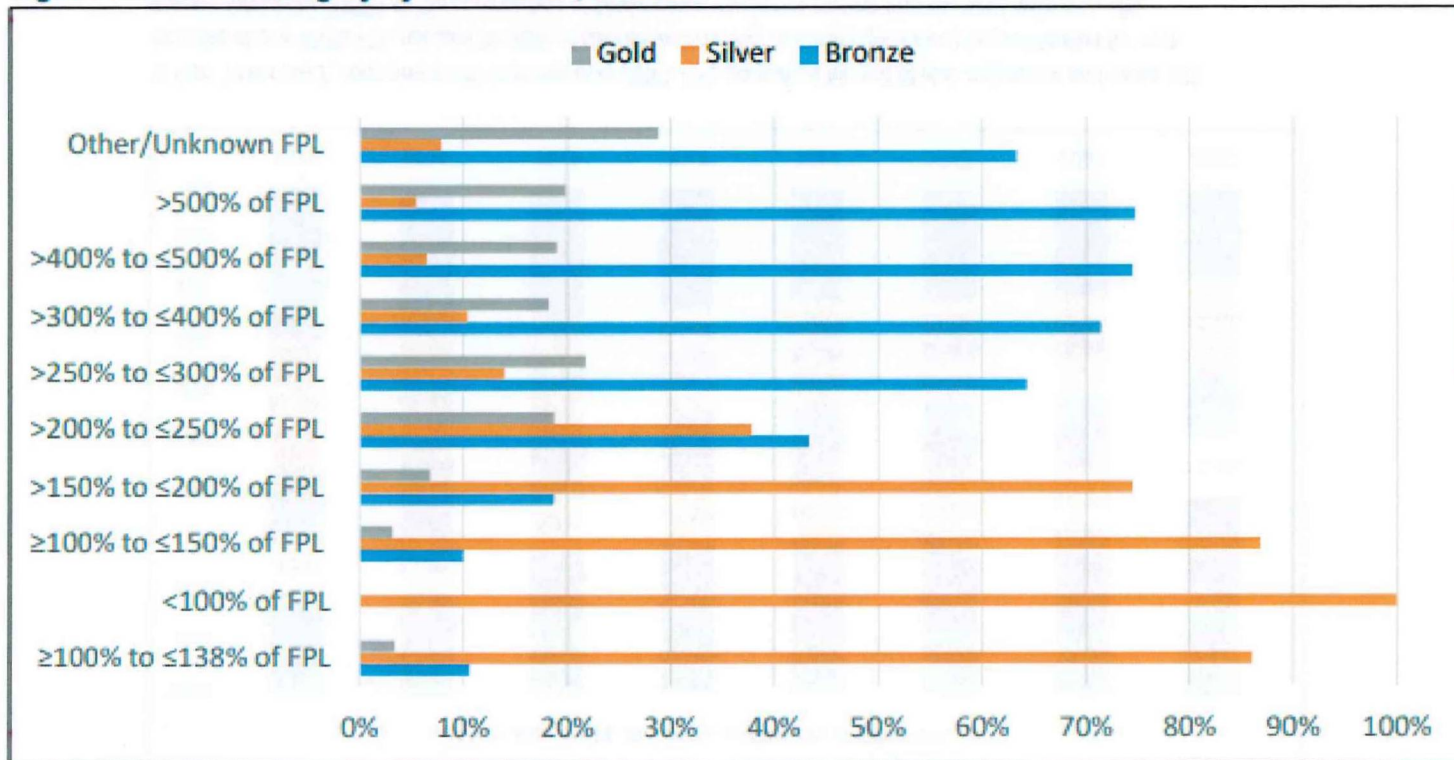


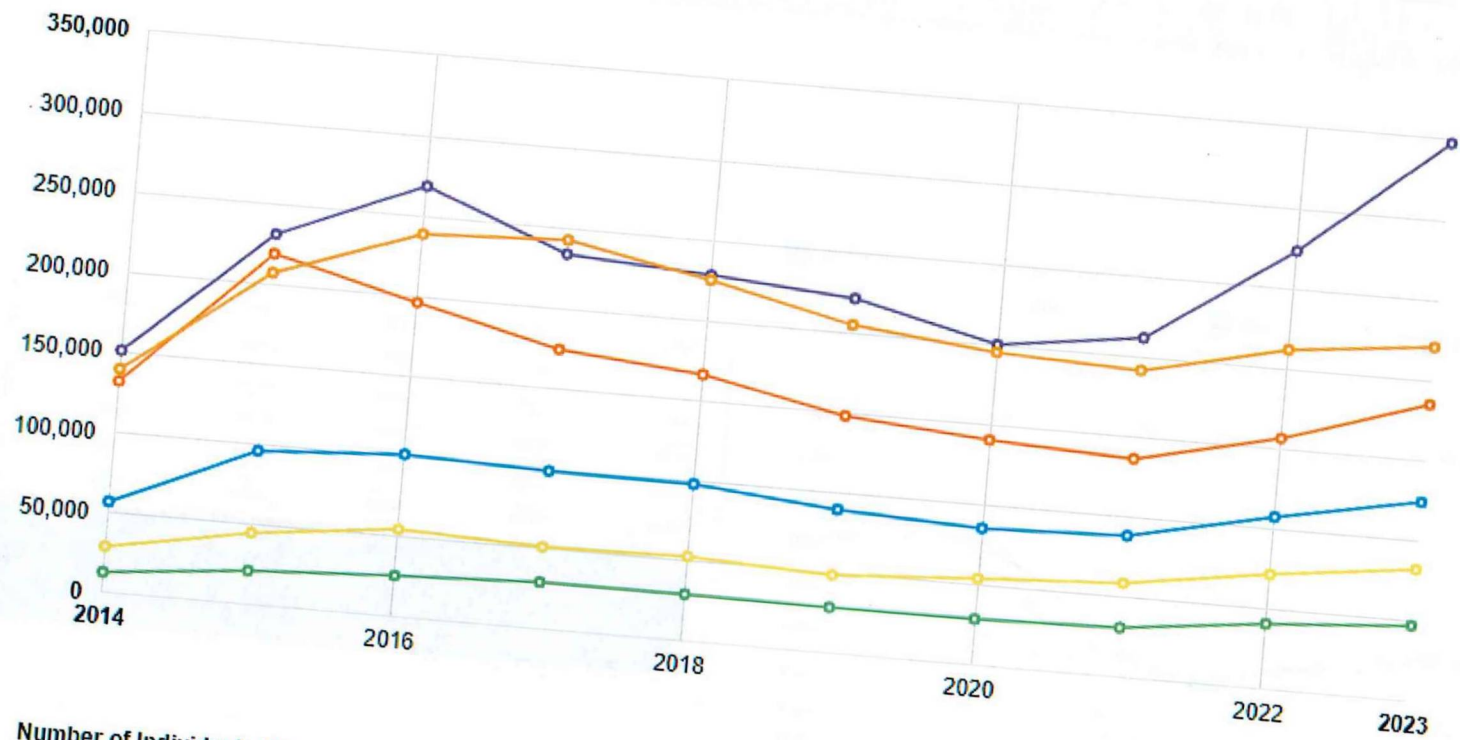
Figure 8. Plan Selections by Income Group, 2015-2022



In Plan Years 2022, consumers with incomes over 250% FPL accounted for half of plan selections and those with incomes above 400% FPL account for 20% of plan selections. Figure 9 displays a trend in qualification for cost-sharing reductions (CSR) as the composition of Marketplace consumer income has changed, with a smaller proportion of consumers qualifying for CSRs. CSRs are linked to selection of silver-metal-level plans, and the decline in consumer CSR-attachment brings a decline in selection of silver-metal plans. (Figure 10)

Figure 12. Income Category by Metal Level, PY2022





Number of Individuals Who Selected a Marketplace Plan

Indiana

Tennessee

Iowa

Wisconsin

Kansas

South Dakota

Location	2020	2021	2022	2023	2024
	Average Benchmark Premium	Average Benchmark Premium	Average Benchmark Premium	Average Benchmark Premium	Average Benchmark Premium
Wisconsin	\$491	\$457	\$429	\$456	\$476
Tennessee	\$511	\$466	\$445	\$473	\$501
South Dakota	\$593	\$618	\$601	\$626	\$616
Kansas	\$502	\$491	\$450	\$471	\$486
Iowa	\$742	\$523	\$502	\$484	\$451
Indiana	\$387	\$421	\$398	\$397	\$399

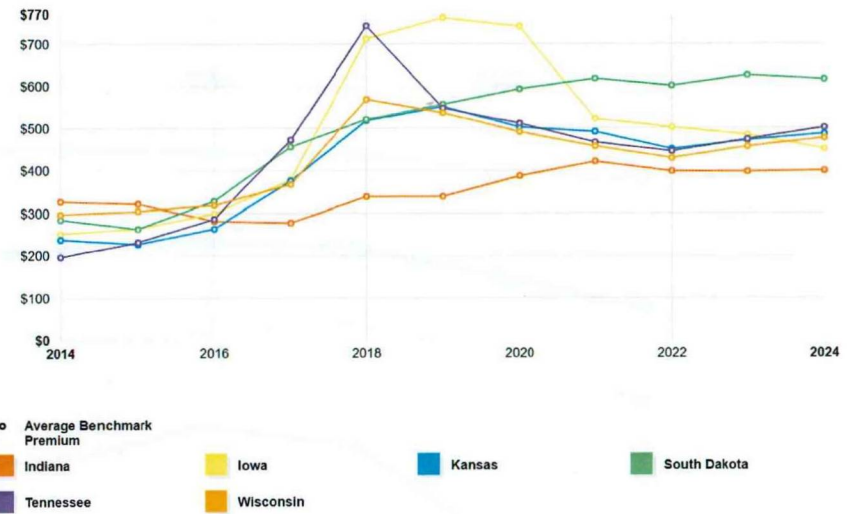


Figure 1: Benefits and Features of Nine Selected Farm Bureau Health Plans, Health Care Sharing Ministry (HCSM) Memberships, and Fixed Indemnity Plans in 2022

Benefits and Features	Farm Bureau Health Plans (two plans)		HCSMs (five HCSM memberships) ^a					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 ^h	✓	—	—	—	—	—	—	—	—

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.

January 18th, 2024

Testimony of the Wisconsin Farmers Union

In Opposition to Seante Bill 811: relating to Nonprofit agricultural organization health benefit coverage.
Before the Assembly Committee on Insurance

Chair Felzkowski and members of the committee,

Thank you for the opportunity to testify on Senate Bill 811,

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, 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), 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.

SB 811 stands to repeat this practice of discrimination by allowing for pre-existing condition exclusions under these ag-health plans, 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 or raised premiums under the individual market.²

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.³

Lastly, we are concerned these unregulated health products will divide the individual marketplace risk pool in Wisconsin, by cherry picking the young and healthy folks and dividing the agriculture community. 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 competition on the marketplaces, and persuaded insurers that sold ACA-compliant plans to leave the state.⁴

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

² <https://www.soa.org/resources/research-reports/2016/relative-risk-aca-market/>

³ https://www.lung.org/getmedia/5b240c9a-72ec-4217-bc75-d416e6f69f51/undercovered_report.pdf

⁴ 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/>

WFU also recognizes the new definition created in SB 811 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, due to its exclusive nature.

The Wisconsin Farmers Union is opposed to SB 811 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,

Darin Von Ruden & Michelle Ramirez-White
President & Policy Coordinator of the Wisconsin Farmers Union

Testimony for Ag Health Product Bill SB 811

January 18th, 2024,

My name is Dylan Bruce, and as a farmer I am here to testify against SB 811. It is my understanding that the intent of this bill is to offer farmers an alternative to conventional insurance, to address the ludicrous cost of healthcare my neighbors and I face. Let me say in the strongest possible terms that passing this bill will not address that insidious problem for those who need it most.

For the last 6 years I have owned and operated a farm in Crawford and Vernon counties, starting from my home farm. We have built that up with blood, sweat, tears, and debt. We employ 2 people in addition to my wife and myself. Before that I worked at a UW Ag Research Station for 6 years. There is nothing I care about so much as the plight of farmers in our state.

6 years we have been farming, but 2023 was the first year I did not have an off farm job. That was necessary because I could not afford to lose my insurance.

I have a pre-existing condition, Crohn's disease. On a cash basis, uninsured, my medicine would cost me \$7,500 a month. I have to take this medicine for the rest of my life, to avoid risky surgeries. I have no choice but to be insured, and since my medicine is classified as a specialty drug I have to purchase some of the most expensive insurance on the marketplace to afford it. Now that is an actual problem with insurance that real farmers are facing.

Last year my soul, and the needs of our business called me to focus on the farm full time. That was only possible because my wife got a better job to be able to afford our insurance.

This bill as it proposed is an insult to every farmer like my family. Many farmers have pre-existing conditions. I ask you to find a farm family that doesn't know a neighbor or have a family member with a pre-existing condition - diabetes, prior cancer, IBD, heart issues, autism, asthma... pre-existing conditions are common in our rural communities.

I am the third generation of my family to farm our land, and the third generation to farm with a pre existing condition. My mother has asthma, my grandmother arthritis, and my grandfather battled cancer.

Farmers like us would not have access to this healthcare product. Taking healthy people out of the common insurance pool increases risk for insurance companies and makes healthcare more expensive for regular people like me.

Even worse, this bill as written applies mostly to farmers making above \$120,000 dollars. That is not the average farmer in Wisconsin. That is the uppermost quartile. If the issue is truly around the unfairness of the subsidization rules in the ACA insurance marketplace surely there are better options. If the issue is helping farmers access insurance without off farm jobs, we all know what type of insurance expansion would actually help address that, it's just apparently taboo to discuss, for some reason.

Most ridiculous of all, is that this bill applies to a single farm organization. You are literally legislating for the profit of one organization, at the expense of the people you claim as constituents. It is insulting. Do not pretend that this is for all farmers, when my neighbors and I could never access this. This would be a law to benefit the few, at the expense of the many.

I have had to purchase unregulated insurance products before. It covered only the most extreme accidents and hospitalization, no medicines, no real care. This proposal is even worse, completely disbarring folks like me and preventing competition in the market you are creating.

I applaud you for considering the rampant issues with our insurance system, but let us be clear: the problems are most pressing for people like me, who make too much for badgercare, absolutely must be insured, and can barely afford the insurance that covers my needs. You are creating so-called fixes for the healthiest and wealthiest farmers, leaving the rest of us in the dust.

Please do the right thing and do not pass this bill, or at the very least modify it to make it fair for all farmers, and accessible to more than a single organization.

Thank you for your consideration.

Dylan Bruce

My name is Tina Hinchley. I have been a full time dairy farmer in Cambridge with my husband for over 25 years. Full time means every day and night milking, feeding cows and caring for calves, but also being a mother of 4 children.

In 1996, we had insurance, which we found out was Catastrophic insurance, when I was told I was having twins. Maternity care wasn't covered, but if we lost a limb, we were covered. We were like all dairy farmers that year, receiving low milk prices and qualified for Badger Care. The cost of that insurance was nearly \$900. per month. That equals 900 gallons of milk for us dairy farmers.

As life went on farming, parenting and participating in as much as possible, I started to notice I was getting head aches. I thought they were no different then anyone else's. Every busy parent and farmers gets head aches.

Fast forward to 2006, I began to see black clouds in my vision when I bent over to prep and milk cows, I was dizzy, the headaches were daily and lasted longer than a few hours, and my hearing became super sensitive.

I went to the doctors office, explained we don't have insurance. I was given FREE anti-depressants and referred to a therapist, who felt that I should leave the farm, because there were so many toxins on the farm. This went on for over 6 months.

The day it all changed was when I was with my daughters at Jimmy John's picking up sandwiches and I stood at the counter to pay, and I wet my pants. I had lost control of my bladder, and didn't even know it. My daughters were so embarrassed as so was I.

I went home to say I was going to a different doctor and get a 2nd opinion, and I was sent to get a CAT scan and then immediately a MRI.

Come to find out I had a brain tumor that had pushed over my mid-line and was putting pressure on my symptoms. It was as large as a grapefruit over my left eye, but it was benign, not cancerous.

Brain surgery in 2006 was \$148,000.00 We had no insurance. We didn't qualify for Badger Care. We made monthly payments. And I was now carrying a pre-existing condition that No Insurance company would cover.

Along comes the Affordable Health Care, Yeah! In 2013, my brain tumor returned along with breast cancer. If we were uninsured, we would have had to sell the farm, or worse yet, not received treatment due to the high costs of health care.

As a farmer, a mother, and a wife, everyone needs to have the protection of health care when something arises. We should not fear going into getting medical care, due to cost.



**Wisconsin
Association of
Health Plans**

**Senate Bill 811
Senate Committee on Insurance and Small Business
January 18, 2024**

Chair Felzkowski, 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, SB 811 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 SB 811 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 18, 2024

The Honorable Mary Felzkowski
Chair, Committee on Insurance and Small Business
Wisconsin Senate
Room 415 South
State Capitol
Madison, WI 53707

Dear Chair Felzkowski:

The Leukemia & Lymphoma Society (LLS) appreciates the opportunity to comment on SB 811, 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 SB 811 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 SB 811 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 conditions. 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 corrective consumer-centered oversight from the state Office of the Commissioner of Insurance.

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

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 17 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 SB 811 to ensure that Wisconsin consumers can rely on strong quality and 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 Senate Committee on Insurance and Small Business



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

January 18, 2024

To: Senate Committee on Insurance and Small Business
From: The American Cancer Society Cancer Action Network
Re: Testimony in Opposition to Senate Bill 811

Good morning, Chairwoman Felzkowski 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 Senate Bill 811. 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. Senate Bill 811 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. SB 811 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.

Senate Bill 811 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 Senate Bill 811 and ask you to vote no.



TO: Senate Committee on Insurance and Small Business
FROM: Nicole Hudzinski, Government Relations Director, American Heart Association
DATE: January 18, 2024
RE: Senate Bill 811, relating to nonprofit agricultural organization health benefit coverage

Good morning, Chair Felzkowski and members of the Senate Committee on Insurance and Small Business. 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 Senate Bill 811.

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 Senate Bill 811.



P.O. Box 1883, Ames, IA 50010

January 17th, 2024

Members of the Wisconsin General Assembly,

The Iowa Farmers Union is a grassroots member-driven organization committed to family farming, sustainable agriculture, and vibrant rural communities. Our farmers and many others in the Midwest state are facing similar issues regarding access to quality health care.

Prior to the Affordable Care Act (ACA), farmers were often excluded from private health insurance. This thankfully changed and our farmers were not denied coverage due to the health issues and safety risks inherent in farming.

Unfortunately, Iowa made changes in 2018 to allow health plans that do not provide the protections provided in the Affordable Care Act (ACA) and state regulation. These plans permit discrimination because of pre-existing conditions and this exposes our farmers to huge financial losses. Unfortunately, these new plans use confusing and misleading marketing practices that lead farmers to think that they have the protections of the ACA and state regulations and don't realize the difference until enormous bills become due or they are denied coverage.

In addition, these plans divide the ACA marketplace pool causing increased premiums in the insurance marketplace. The new plans are allowed to pick and choose healthier and younger customers leaving the vast majority of farmers and other customers with higher prices.

Finally creating a carve-out for one entity is undemocratic and undermines the trust of the Iowa public that laws should apply to all.

Many other policy solutions should be pursued to address the real and pressing problems related to access to affordable quality health care for family farmers and rural residents.

Thank you,

Aaron Lehman
Iowa Farmers Union President



On behalf of the family farmers, ranchers, and rural members of the Kansas Farmers Union, thank you for the opportunity to share written testimony and explain why we join our friends at Wisconsin Farmers Union in opposition to SB 811/AB 860.

Farmers Union members believe access to health care is essential to a strong quality of life throughout rural America. For that reason, we understand the drive behind these bills. The problem is these bills remove important consumer protections, set a dangerous precedent, and put upward pressure on the rest of the insurance market.

Clearly, getting farmers health insurance is a high priority for our organization. The proponents of this bill have been very clear - they intend to discriminate based on health factors. The average age of the American farmer is quickly approaching 60 years old, and farming is a dangerous job. Historically farmers have had a difficult time obtaining health insurance for these exact reasons, and it stands to reason this bill would do the exact same thing. Farmers are not cheap to insure. They are exposed to chemicals, they tend to be older, and they do dangerous work. There is no reason to believe many of today's farmers will see much - if any - benefit from this plan.

The health insurance marketplace was put into place to eliminate upward pressure on pricing for people who are in high-risk fields and have preexisting conditions by broadening the risk pool. This proposal attempts to take the younger and healthier people out of that risk pool, which will return the upward pressure to the risk pool to be borne by the other ratepayers who were not eligible for an association plan. We believe this will include most farmers. This bill also removes these plans from the oversight of the Insurance Commissioner. The Office of the Insurance Commissioner ensures that the plans are financially solvent and makes sure there is an appeals process for consumers to adjudicate grievances.

The proponents of this legislation don't call it insurance because it isn't insurance. We should not allow our neighbors to enter into an arrangement when they do not have any assurances it will be supported while others pay the bill. SB811/AB860 claims to expand access to rural health care but falls far short. These bills cut a special deal for some insurance companies and leave citizens holding the bag with no recourse.

On behalf of the members of the Kansas Farmers Union, and in solidarity with Wisconsin Farmers Union and the growing coalition opposed to this legislation, I thank you for the opportunity to share our views.

Sincerely,

Nick Levendofsky
Executive Director
Kansas Farmers Union



**Senate Bill 811
Opponent Testimony**

Gary Dougherty
Director, State Government Affairs
American Diabetes Association®
Senate Insurance and Small Business Committee
January 18, 2024

Chair Felzkowski, Vice Chair Hutton, and Members of the Senate Insurance and Small Business 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 Senate Bill 811 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, SB 811 is not the answer.

The coverage envisioned by SB 811 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 SB 811, expose

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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 SB 811 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.

■
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Testimony on Senate Bill 811
Melissa Duffy, Former Executive Director
of the Farmers' Health Cooperative of Wisconsin
January 18, 2024

Thank you, Madam Chair and members of the committee, for sharing my testimony today. My name is Melissa Duffy and I provide this testimony on my own behalf and not on behalf of any organization, and 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. I have concerns for farmers should SB 811 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 very expensive.

Insurance was worse but the result was the same for farmers: One spouse had to leave the farm to secure employer-based coverage. And that is the environment that existed when a team of people produced 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. 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 will not 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, no cost preventive care and no medical underwriting – no more paying more based on your health status. No one can be denied coverage. And the federal government provides advanced tax credits to bring down monthly costs to consumers.

ObamaCare also 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 the Farmers Health Cooperative wanted to continue to serve its members after ObamaCare passed, so it had to become a "grandfathered" plan which means it can longer accept new enrollees. Further, Obamacare's tax credits

are complicated 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 comprehensive Obamacare coverage and pay nothing for it, the next year they could have to pay \$1000 a month for a similar policy.

I understand the root causes of the health insurance issues faced by farmers and care deeply about this issue. But unfortunately, SB 811 does not address these root causes. Instead, it takes something away from farmers to achieve lower prices on something that looks exactly like health insurance. Only under this bill, it would not be considered health insurance simply to skirt consumer protections. I implore this committee not to pass a bill that gives farmers access to something less than what everyone else has – a “benefit” that does not 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 is farmers. So why pass legislation that exposes a farm family to a benefit policy that exposes them to medical debt, 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 did not want to oppose this bill without offering another solution. When it comes to this issue, we have a lot of good things going for us as a state. There are many 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.