



Good afternoon, Chair Wilson, Vice Chair Lang, Ranking Member Craig and Members of the Financial Institutions, Insurance and Technology Committee.

My name is Holly Pendell, I am the Associate Vice President Advocacy for the National MS Society (the Society). Thank you for this opportunity to comment on SB 100 regarding Farm Bureau health plans. The Society opposes this proposed legislation. We are deeply concerned about the impact Farm Bureau health plans would have on individuals living with multiple sclerosis (MS) and their families and believe that this legislation could seriously undermine the key principles of access, adequacy and affordability that are the underpinnings of current healthcare law.

Like all organizations representing the interests of people with special health needs, we have a unique perspective on what individuals and families need to manage their conditions and live their best lives. MS is an unpredictable disease of the central nervous system. Currently there is no cure. Symptoms vary from person to person and may include disabling fatigue, mobility challenges, cognitive changes and vision issues. An estimated 1 million people live with MS in the United States. Early diagnosis and treatment are critical to minimize disability. Significant progress is being made to achieve a world free of MS.

We are deeply concerned about the impact SB 100 will have on individuals living with MS and their families. Because SB 100 requires that Farm Bureau health plans not be considered as health insurance, these plans would not be subject to laws and regulations relating to insurance, are not required to provide essential health benefits (EHB), can utilize medical underwriting, may charge higher premiums based on whatever factors they wish, may deny enrollment or impose waiting periods based on an individual's health status and may impose annual and lifetime limits on benefits, practices now outlawed by the Affordable Care Act (ACA).¹

Consumers have grown accustomed to and expect health insurance to be comprehensive and may not realize these plans do not meet the same standards or protections as ACA-compliant plans. We fear an increase in negative outcomes if Farm Bureau health plans are made easily available to consumers without clear transparency about what they do, and do not, cover. Of note, this bill does not even include any disclosure language or warning to allow the consumer to understand the plan is not health insurance and may not meet ACA standards and protections. Because Farm Bureau health plans frequently do not adhere to important standards, we are extremely concerned that the proposal will leave Ohio families in the lurch with insufficient coverage, unpaid medical bills, and lifelong health implications – just as many plans did before the ACA was passed.

¹ The Partnership to Protect Coverage. "Under-covered: How "Insurance-Like" Products Are Leaving Patients Exposed" March 2021. Available at https://www.ils.org/sites/default/files/National/undercovered_report.pdf

Farm Bureau health plans can offer differing coverage to groups of enrollees based on factors like gender, age, employee classifications, locations, or any other non-health criteria that could stratify the plan's beneficiary population, effectively excluding entire classes of beneficiaries with higher rates of illness and disease. **This allowance enables Farm Bureau health plans to deny coverage to individuals with pre-existing conditions.** In a survey conducted by the U.S. Department of Agriculture (USDA) published in 2017, two out of three farmers and ranchers reported having at least one pre-existing health condition.² Offering Ohio farmers health plans that may not provide coverage for pre-existing conditions does not protect them from high healthcare costs. In fact, enrolling in these unregulated plans and a lack of transparency around them makes it more likely that farmers will experience financial harm. In Tennessee, a state often held up as a successful example of Farm Bureau plans, diabetes has been named as preexisting condition that would disqualify you from a Farm Bureau plan.³

Farm Bureau health plans do not provide critical patient protections such as caps on annual out-of-pocket costs for enrollees and can institute lifetime limits on coverage. Between regular visits to various specialists, MRIs, prescription drugs, rehab, or other needs, a person living with MS could quickly hit their limit and be left without meaningful coverage.

These plans are also not subject to the ACA's "minimum medical loss ratio" or "80/20" rules, which require insurers to use at least 80% of all premium dollars on health care and/or quality improvement activities or pay policyholders back for amounts used for other purposes. These requirements provide consumers with important checks on the value of their health insurance while keeping insurers' overhead costs down.

Another important consumer protection that does not apply to Farm Bureau health plans is the ACA's requirement regarding the adequacy of provider networks, based on standards for the time it takes enrollees to travel to needed providers and their distance from home or workplace. Network inadequacy is a particular concern for people living with MS who may require care from neurology, rehabilitation, radiology, mental health and other specialists, as well as treatments, services and products from pharmacies, durable medical equipment providers, home care agencies and more to live their best lives. There are no requirements that Farm Bureau health plans provide such adequacy, which may leave Ohioans living with MS, especially those in rural areas, without adequate coverage.

Should an individual with a Farm Bureau health plan be diagnosed with MS or other condition, they may experience a waiting period for coverage of pre-existing conditions, wherein individuals with MS would be responsible for costs that have accumulated during the waiting period. It is also possible for coverage to be canceled retroactively. Before the ACA, health insurers sometimes retroactively

² Health Insurance, Rural Economic Development and Agriculture (HIREDnAg). (2017, July). Health Insurance is Key to Farm & Ranch Economic Viability: 2017 National Farmer and Rancher Survey Findings. HIREDnAg. http://docs.wixstatic.com/ugd/85136a_2cc79e77a6ab471688a5b76bf9ec1c04.pdf

³ *This Tennessee insurer doesn't play by Obamacare's rules*, STAT News, November 13, 2017, <https://www.statnews.com/2017/11/13/health-insurance-tennessee-farm-bureau/>.



canceled health insurance policies, refusing to pay for any health care if the person had any undisclosed health conditions before they bought the policy – even if the person did not know they had a condition. This left consumers responsible for all costs of treating the disease and any care they received leading up to the diagnosis. While the ACA made these rescissions illegal, this protection does not apply to Farm Bureau health plans.

When a Farm Bureau health plan ends or is canceled, it does not trigger a special enrollment period.

If a person loses their coverage due to a diagnosis of MS, that individual would be unable to sign up for quality, affordable coverage unless their loss of coverage happens to fall during the Marketplace's open enrollment period, meaning they would likely find themselves without coverage in the very moment they need it the most.

By creating alternatives to ACA-compliant coverage, Ohio would be undermining its own ACA insurance markets and increasing premiums for patients and consumers who rely on ACA-compliant coverage. Expanding access to these unregulated plans will likely cause premiums in the individual insurance marketplace to increase dramatically as plans will likely cause market segmentation, due to certain individuals leaving the insurance marketplace under the false assumption that they will get cheaper insurance coverage elsewhere. Premiums for comprehensive plans that meet federal standards would likely skyrocket, and health insurance providers would likely exit the market, as we have seen in other states like Tennessee.⁴ In Tennessee consumers with preexisting conditions and diagnosed with illness are pushed off the Farm Health Plans and into the marketplace. This will make insurance unavailable or unaffordable for those relying on the marketplace to get coverage.

To summarize, we are deeply concerned that SB 100 could seriously undermine the key principles of access, adequacy, and affordability that are the underpinnings of current law and will potentially put people living with MS at risk. We understand the need for access to affordable health coverage and appreciate Representative Manchester's desire to do so, however lowering the price for some, resulting in higher prices for others, is not the way to achieve that goal. Thank you for this opportunity to submit comments on this bill. If you have any questions or would like to discuss these comments further, please feel free to contact me.

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⁴ *This Tennessee insurer doesn't play by Obamacare's rules*, STAT News, November 13, 2017, <https://www.statnews.com/2017/11/13/health-insurance-tennessee-farm-bureau/>.