

Senate Bill 811 / Assembly Bill 860, simply stated, allows an already existing healthcare product that is available in seven other states and only available through a state's Farm Bureau to be offered in Wisconsin.

While these plans are not regulated in the same way as traditional health insurance, Farm Bureau Health Plans provide coverage for mandated essential benefits, cover dependents up to age 26, provide [easy-to-understand summaries of coverage](#) and [lists of in-network providers](#). However, because of this unique arrangement, we can provide policyholders with savings between 30-60% from an unsubsidized plan offered through the Affordable Care Act (ACA).

This legislation provides numerous policyholder protections to ensure that our own members receive the necessary information to make informed decisions. The bill requires that written notice is provided to members that these health plans are not legally health insurance and require signature acknowledgment.

It does allow Farm Bureau to limit up to a six-month waiting period for coverage of a pre-existing condition or in some instances decline coverage, however we do not review medical history for anyone under 19. It requires that we reinsure any risk taken 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) to ensure that claims will always be paid.

Senate Amendment 1 requires that Farm Bureau offers these plans 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 Farm Bureau to maintain a consumer complaint process that is consistent with the process OCI requires for insurers in the state, using the exact same third-party arbiters. These are all things we do at present but want to codify in the statute to provide guarantees to the Legislature, the Administration, and our members.

As a matter of practice, Farm Bureau Health Plans do not have an open enrollment period, you can join at any time. The waiting period for an ACA policy to cover any condition is about 10 months at this time of year. Furthermore, ACA requires that you reenroll each year to determine subsidy eligibility. Conversely, Farm Bureau Health Plans provide evergreen contracts that remain in place as long as members continue coverage. Members are never re-rated as an individual, we do not have annual or lifetime benefit maximums, and you can never be dropped from coverage if you continue to pay for your policy.

Today in Wisconsin, the Affordable Care Act (ACA) provides coverage for hundreds of thousands of people and nothing in this bill changes that. Everyone in Wisconsin will still have guaranteed coverage; **this legislation does not impact that**. What does change is that farmers and Farm Bureau members who are income ineligible for the federal and state supplements that make ACA plans affordable would have another option to receive comprehensive affordable coverage.

While some have expressed concern that adding Farm Bureau Health Plans to the marketplace might contribute to a decrease in ACA enrollment, there is no correlation between Farm Bureau Health Plans being added to a state and a reduction in enrollment in the ACA marketplace. In

fact, all states that have authorized Farm Bureau Health Plans [have seen increases in ACA](#) enrollment and reductions in uninsured individuals.

These plans are essential to the future of agriculture in Wisconsin, and there is not another option before the state or federal legislatures to alleviate challenges for farm families.

Because the ACA uses a Modified Adjusted Gross Income (MAGI) calculation to determine eligibility for premium subsidies, farm income is artificially inflated because depreciation and interest payments are added back in. This causes many farmers to be ineligible for premium incentives. In addition, wide swings in commodity prices (for instance, Class III Milk went from \$15.95 per hundredweight up to \$25.21 and back down to \$13.77 in just two years) mean farmers fluctuate in and out of subsidy eligibility in any given year, adding even more unpredictability to their lives.

At the end of the day, the primary assurance we offer is who we are and how we are structured as an organization. We are not a corporate insurer answerable to shareholders. We can also guarantee that there is a much less challenging way to increase Farm Bureau membership. However, Farm Bureau is answerable to our members who will be the end users of these plans and are asking us to provide them with another option that meets their needs.

As we've been here for more than 100 years, and exist to serve our members, we ask that the Legislature allow us to continue to do so and pass Senate Bill 811 / Assembly Bill 860.