



February 17, 2024

Dear Alabama Lawmakers,

The undersigned organizations write today to express our unequivocal opposition to **SB84**, legislation allowing for the sale of substandard health plans, known as Farm Bureau plans. If enacted, this proposal risks access to healthcare and the financial security of Alabamians, particularly those battling chronic or life-threatening illnesses.

Patients and consumers deserve health insurance they can afford to use when illness strikes. It should include all the essential health benefits to protect people when they become sick and should be available regardless of one's medical history. Good coverage should also be properly regulated and overseen to ensure that customers' financial and medical interests are protected.

We oppose **SB84** for the following reasons:

- These products are marketed as a solution for farmers, yet nearly 2 in 3 farmers have pre-existing conditions¹, and these products would not be required to accept people with pre-existing conditions². 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.

¹ 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.

² 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.

- 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 are an inadequate option for closing the coverage gap. For example, Kansas Farm Bureau officials estimated in 2019 that more than 42,000 people would purchase their coverage³, and suggested it could supplant the need for any form of Medicaid expansion. However, a mere 16,000 people were covered by these plans in late 2023.⁴ Both figures pale in comparison to the 150,000 Kansans who live in the coverage gap.
- These products would have no oversight from the state Department of Insurance, leaving consumers in the lurch if they have any problems with their coverage.

These plans create a false sense of security for consumers, who may only discover the gaps in coverage when they face a serious illness. This lack of comprehensive coverage not only undermines the health of Alabamians but could shift costs to the broader healthcare system as patients are forced to delay or forgo necessary care. These plans are a step backward, returning us to a time when insurers could discriminate against the sick and deny coverage to those who need it most.

We support innovative efforts to improve health coverage affordability and access, but not if these efforts compromise patients’ ability to receive the care they need. We ask you to partner with us to champion policies that strengthen access to comprehensive, affordable healthcare for all Alabamians.

For further information, please contact Jane Adams with the American Cancer Society Cancer Action Network at jane.adams@cancer.org and Jada Shaffer with the American Heart Association at jada.shaffer@heart.org.

Sincerely,

Abilities Unlimited LLC DBA Accessible Alabama
 AIDS Alabama
 Alabama Arise
 Alabama Coalition for Immigrant Justice
 Alabama Institute for Social Justice
 Alabama Poor People's Campaign
 Alabama Rare

American Cancer Society Cancer Action Network
 American Heart Association
 American Lung Association
 Beloved Community Church, UCC
 Church & Society Committee, Anniston First
 Cover Alabama
 Disability Resource Network

³ John Hanna, “Rural Kansas lawmakers push Farm Bureau health coverage plan,” Associated Press, Feb. 21, 2019. <https://apnews.com/rural-kansas-lawmakers-push-farm-bureau-health-coverage-plan-134799b429fa487e9d2cf6ab5e8602e0>.

⁴ Tim Carpenter, “Kansas governor, farmers look at rural health care through Medicaid expansion scope,” Kansas Reflector, Nov. 9, 2023. <https://kansasreflector.com/2023/11/09/kansas-governor-farmers-look-at-rural-health-care-through-medicaid-expansion-scope/>

Hemophilia Federation of America
First Congregational Church, UCC - Birmingham
Five Horizons Health Services
Grace Presbyterian Church of Tuscaloosa
March of Dimes
MPW Consulting
NAMI Alabama
North Alabama Area Labor Council
The Knights & Orchids Society
The Sisters
Tobacco Free Alabama
Tyrell Spencer Foundation
United for a Fair Economy
United Methodist Church
Unity Wellness Center
VOICES for Alabama's Children
Women's Foundation of Alabama