

ALTERNATIVE AG HEALTH PLANS

OPPOSE WISCONSIN SB 811/AB 860

POLICY BRIEF

Health insurance alternatives, like the product currently being proposed by Wisconsin Farm Bureau, may advertise lower costs or more flexibility, but **the catch is that they don't have to adhere to federal consumer protection requirements**, such as guaranteed coverage for pre-existing conditions.

MISLEADING, INADEQUATE, & RISKY

House Bill 811/Assembly Bill 860 is a piece of legislation that was recently introduced into the Wisconsin state legislature which allows non-profit agricultural organizations founded prior to January 1st 1922 (which includes only one entity in Wisconsin) to exclusively offer unregulated health products on the insurance market for Wisconsinites. Through this legislation, Farm Bureau is requesting an exception from state insurance regulation to allow them to sell their alternative health plan to farmers and other consumers in Wisconsin.¹

These **alternative ag health plans are designed to cover only the healthiest individuals and do not guarantee coverage for pre-existing conditions**. Comprehensive coverage that is guaranteed even with pre-existing conditions, as is required under the Affordable Care Act (ACA) for real health insurance, is vital to ensure that patients have access to the medications, treatments, and specialists they need.

Alternative ag health plans are not considered health insurance under federal law, so they are exempt from all insurance laws, rules, and requirements.² They mimic real insurance while not being subject to oversight or regulation. If consumers have a complaint or have had a claim unfairly denied, there is no third-party that will protect the consumer.

Approximately 1 out of 6 people in Wisconsin has a pre-existing condition.⁴













ACA NON-COMPLIANT PLANS³

Under the ACA, insurers are required to provide comprehensive coverage and are prohibited from unfair coverage restrictions that discriminate against people on the basis of pre-existing conditions. New insurance rules create a loophole in which certain unregulated insurers can discriminate against people with pre-existing conditions.

A recent, rapid increase in ACA non-compliant health products being offered to consumers by unregulated insurers (such as Farm Bureau and health care sharing ministries) has the following consequences:

- The non-compliant health plans weaken the overall effectiveness of the ACA by forcing people to take on significant financial risk.
- The plans segment the individual health insurance market by favoring coverage for the healthiest individuals. This forces a pool of people who are older with more pre-existing conditions to be left with more expensive insurance options.
- Entities offering these plans are motivated by building membership and making a profit. Their plans charge consumers for minimal coverage.
- Alternative health plans don't have to follow the rules of the ACA, exposing consumers to risk of fraud, unfair denial of coverage, discrimination, and more.

CONSUMER PROTECTION COMPARISON³

Consumer Protection	ACA-Compliant Coverage	Farm Bureau Coverage
Guaranteed Coverage		
Dependent Coverage until Age 26		
Prohibits Rescission		
Prohibits Denial of Coverage for Pre-existing Conditions		
Required to Provide Easy-to-Understand Summary of Coverage		
Covers the 10 Essential Benefit Categories <small>(Outpatient care, emergency care, hospital stays, mental health coverage, prescription drugs, rehab services, lab services, free preventive care, maternity and newborn care, and, pediatric care)</small>		

ADDRESSING THE HEALTH CARE CRISIS

While the ACA isn't a perfect solution to our current health care crisis, thanks to the consumer protections mandated by the ACA, consumers have been able to expect a guaranteed standard of coverage from their insurance. New alternative health products, like the one being proposed by Wisconsin Farm Bureau, undermine the advances that the ACA has made towards making quality health insurance more accessible.

Despite the Farm Bureau being allowed to sell their alternative health plan in 7 states, states such as Montana and North Carolina have blocked Farm Bureau health plans from being offered.

This bill as it's 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.

-- Dylan Bruce, Vernon-Crawford Farmers Union

WHAT CAN YOU DO?

Contact your legislators and tell them to oppose SB 811/AB 860.

If you're a legislator, vote to oppose SB 811/AB 860.

¹ <https://wfbf.com/farm-bureau-news/wfbf-statement-on-introduction-of-farm-bureau-health-plan-legislation/>

² <https://www.ncjustice.org/wp-content/uploads/2018/11/FACT-SHEET-Farm-Bureau-Health-Plans.pdf>

³ <https://www.ils.org/advocate/under-covered-how-insurance-products-are-leaving-patients-exposed>

⁴ <https://legis.wisconsin.gov/assembly/40/Petersen/petersens-e-press/facts-of-the-40th/pre-existing-condition-guaranteed-coverage-act/#:~:text=Approximately%201%20out%20of%206,their%20ability%20to%20purchase%20healthcare.>

⁵ placeholder citation