

January 18, 2024



Testimony of the American Lung Association
In opposition to Senate Bill 811
In front of the Senate Committee on Insurance and Small Business

Chair Felzkowski and members of the committee,

The American Lung Association is the oldest voluntary public health organization in the United States and believes everyone should have quality and affordable healthcare coverage. However, expanding access to plans offered through “nonprofit agricultural organizations” would not provide consumers with the coverage that they need to stay healthy, and would be particularly harmful for patients with pre-existing conditions like asthma, COPD, lung cancer and other lung diseases. The American Lung Association in Wisconsin urges members to oppose legislation that would expand these types of plans in Wisconsin.

While plans sold through the state’s individual insurance marketplace are required to cover essential health benefits including prescription medications and hospitalizations, farm bureau plans lack these requirements for robust and comprehensive coverage. By excluding certain key services, as well as by allowing pre-existing condition exclusions for up to six months, farm bureau plans expose patients with pre-existing conditions to significant financial and health risks inherent in substandard coverage.

Meanwhile, the marketing of these products can be confusing or misleading and can cause individuals to enroll in plans that do not align with their medical needs or expectations.ⁱ The bill’s prohibition against the plan being called “insurance” and some required disclaimers are not sufficient to give people the information they need to make an informed choice. Farmers have unique health needs, including increased prevalence of respiratory diseases like non-allergic asthma and both chronic and acute bronchitis.ⁱⁱ Comprehensive coverage is vital to ensure lung disease patients have access to the medications, treatments and specialists they need.

Additionally, farm bureau plans will likely attract younger and healthier individuals, dividing the individual marketplace risk pool in Wisconsin. This will result in a spike in premiums for comprehensive plans sold in the marketplace, the only ones that will cover the treatments and services that people with lung disease need. Patients with lung disease should not have to pay higher premiums because they need coverage for a pre-existing condition.

Similar plans also have a history of fraud and insolvency.ⁱⁱⁱ If this continues, patients could pay their premiums but still not have the coverage they were promised when they get sick. This could leave patients with lung cancer and other expensive illnesses with massive medical bills or force them to forgo needed treatment. Medical debt is already the largest source of debt in collection in the United States, where one in three adults carry medical debt.^{iv} SB 811 may put more patients at risk of accumulating medical debt due to misleading coverage policies.

The American Lung Association in Wisconsin is committed to working with you to expand access to quality and affordable health coverage, but farm bureau plans are not the right solution. The Lung Association urges this committee to oppose legislation that would expand these types of health benefit plans in Wisconsin.

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ⁱ Under-Covered: How “Insurance Like” Products Are Leaving Patients Exposed. 2021 https://www.lung.org/getmedia/5b240c9a-72ec-4217-bc75-d416e6f69f51/undercovered_report.pdf

ⁱⁱ Kirkhorn, Steven and Marc B. Schenker. *Human Health Effects of Agriculture: Physical Diseases and Illnesses*. Accessed at: <http://nasdonline.org/1827/d001772/human-health-effects-of-agriculture-physical-diseases-and.html>

ⁱⁱⁱ Kofman, Mila, Eliza Bangit and Kevin Lucia. The Commonwealth Fund. *MEWAs: The Threat of Plan Insolvency and Other Challenges*. March 2004. Accessed

at: https://www.commonwealthfund.org/sites/default/files/documents/_media_files_publications_issue_brief_2004_mar_mewas_the_threat_of_plan_insolvency_and_other_challenges_kofman_mewas_pdf.pdf

^{iv} <https://www.whitehouse.gov/briefing-room/statements-releases/2022/04/11/fact-sheet-the-biden-administration-announces-new-actions-to-lessen-the-burden-of-medical-debt-and-increase-consumer-protection/>