

# SB 32: Kansas Farm Bureau® Health Plans

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Kansas Farm Bureau is a century old organization whose purpose is to advocate, educate and serve members in Kansas. Farm Bureau members have called for relief from onerous health care costs. The organization is uniquely positioned to answer this call and offer a member healthcare product because of its long history of providing property and casualty insurance and holding sufficient financial resources to secure the risks associated with such a product.

**The Kansas Farm Bureau Member Healthcare Benefit Plan authorized by SB 32 provides options for members who do not qualify for ACA subsidies and have NO other options for affordable coverage.**

Affordable Care Act premiums from 2008 to 2018 increased by 176 percent for individual coverage and 216 percent for family coverage and deductibles also increased.

**KFB Member Healthcare Benefit Coverage is good policy for the state of Kansas because it is:**

- **Affordable:** Contracts are individually rated allowing KFB to accurately assess risk. Individual rating will consider the current health of the applicant and will be gender neutral. Rates are anticipated to be 30 percent less than similar coverage under the ACA.
- **Available to members without threat of cancellation:** Once a member is accepted and they continue KFB membership and pay their premiums they will not be denied coverage; premiums may increase as the “group” performance changes or as the individual ages. “Group” means all of the persons who purchase the same plan.
- **Fully funded:** It will be backed by the resources of the Kansas Farm Bureau and reinsurance. It will be supported by a third-party administrator who is licensed and regulated in Kansas.
- **Taxed:** Farm Bureau member healthcare benefit plans will pay premium tax just like other Kansas associations offering coverage providing revenue for that state.
- **Enhances rural communities:** It will reduce numbers of uninsured Kansans and support rural hospitals and medical clinics.



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KFB has worked with the Kansas Insurance Commissioner and the Kansas Attorney General and amended SB 32 in Senate Committee to include language requiring annual financial reports to the Insurance Commissioner illustrating financial security sufficient to meet the risk associated with coverage purchased by members. If the Insurance Commissioner finds irregularities, she may report to the Attorney General for further investigation and enforcement under the Kansas Consumer Protection Act. KFB has gone beyond the current law to assure public confidence.

## Members will have avenues for complaints and appeals

Plans will be subject to the Kansas Consumer Protection Act via the Attorney General; TPAs licensed in Kansas would fall under the jurisdiction of the Insurance Commissioner. Plans will follow the ACA mandated structure for appeals in denial of coverages, including both internal and external review options before appeals are exhausted.

## Plans may include:

### While not yet finalized plan coverages could resemble the following:

- Calendar Year Deductibles - \$1,500 to \$3,000 individual or \$3,000 to \$5,000 family.
- After the deductible, plan pays 80 percent, member pays 20 percent of eligible expenses.
- Copay for Office Visits – may range between \$25 and \$40 depending on the plan.
- No annual or lifetime limits

### Coverages may include:

- Office visits, hospitalization and teledoc
- Preventive care services
- Emergency room services
- Waiting periods for pre-existing conditions
- Prescription drug benefits
- Mental health and substance abuse
- Dental and vision coverage

## Market impact is minimal

Because KFB Member Healthcare Benefit Coverage will be individual plans, the focus on market impact is limited to the eight percent of Kansans who already buy their own individual coverage and the eight percent of Kansans who are currently not buying any health care coverage. Due to ACA subsidies, the KFB member health care benefit coverage is likely only attractive to those at or above 300 percent of the federal poverty level or Kansans who do not qualify for any subsidy.

An actuarial review of the marketplace indicates that participation in ACA exchange plans has and will continue to decline at a rate of four to six percent annually because of rising premiums and reduced coverage by carriers. The existence of KFB member healthcare benefit coverage may increase the decline by one to two percent annually. It is projected that KFB member healthcare benefit coverage may reach 42,000 lives or less than two percent of the total lives in Kansas.

*Please support SB 32  
Affordable Coverage for Kansans*