

Date: March 6, 2019
To: House Committee on Insurance
Re: SB 32 – Kansas Farm Bureau Health Plans

Good Afternoon Mr. Chairman and members of the Committee. I am Sarah Schmidt from Junction City, Kansas. My husband Jim and I returned to my family's farm in 2009 after spending 10 plus years in the agricultural equipment industry with John Deere, Case IH and AGCO. We are currently raising the 6th generation of proud Kansas farmers on a combination dryland and irrigated corn, soybean and wheat operation with farm ground in 4 counties. Our 4 children Rylie (16), Elijah (14), Elaina (12) and Ava (7) all attend school at USD 475 where they participate in many activities.

We came back to the family farm to raise our children, because of the lifestyle, work ethic expectations and the values it instills. We did so knowing that choosing to be self-employed might mean that we sacrificed in other areas. One of these which has become a huge hurdle with each passing year is family health care. Like many Kansas farm families, since the introduction of the Affordable Care Act, we have struggled to find a reasonable solution that was both affordable and worthwhile. Due to this, our family has had multiple policies with several providers just in the last 6 years.

Prior to the ACA enactment, we had a family plan that was a fair price of \$525/month (\$6,300 annually) that allowed us to use many of our local providers both in Junction City and Manhattan along with a respectable list of in-network specialists such as dermatologists, OBGYN's and so on. That plan was deemed unacceptable based on ACA criteria thus we were forced to move to a Bronze level ACA insurance policy which increased our cost by over 87% to \$11,808 annually. So not only were we not allowed to keep our existing plan but, ultimately, we lost out on several of our existing medical providers all while our monthly rates skyrocketed.

As each of you can appreciate, we found this type of cost increase to be unbearable, so we went searching for alternatives that would allow us to work within the constraints of our nation's Affordable Care Act guidelines. With the guidance of a licensed insurance broker, we moved to a short-term medical plan that ran consecutive 11-month periods. By prepaying our entire 11-month premium, our cost came down to approximately \$2400 or \$220/month but that was for basic catastrophic coverage only. We carried this policy for 2 straight 11-month terms before the federal government changed their restrictions to only allow for this program in 3-month increments and not consecutively.

We yet again went looking for family health coverage. We attempted to consider Healthcare.gov offerings but even the bronze level was going to be equivalent to our monthly mortgage payment. And it would leave us with a greatly reduced option for in-network providers, let alone specialists. Again, working with our licensed insurance broker, we found another new option. As a result, we are now a member of a health care sharing program that is administered out of Atlanta, Georgia. With this program, our monthly cost is now \$584/month (\$7,008 annually) for a \$10,000 deductible and greatly reduced allowance of in-network

providers. For comparison, I ran a quote via direct purchase policy through a Kansas provider. The minimum policy for our family of 6 is \$1485/month. And yet again, we would be forced to pay more for our healthcare insurance than we are for our monthly mortgage payment.

We are honored to have the opportunity to share our struggles over the last 6 years to provide our family with health care that we are accustomed to for a rate that does not put our future in financial jeopardy. We are also thankful that your committee is considering this critical issue regarding Senate Bill #32 which will offer many Kansans such as ourselves greater options of affordable healthcare choices. I will close with saying that this has been one of our greatest struggles since coming back to my family's 5th generation farm, not only financially but also physically and emotionally. Thank you for your time.

Sarah & Jim Schmidt
7331 McDowell Creek Rd.
Manhattan, KS 66502