



August 22, 2018

The Honorable Pat Roberts
 Chairman, U.S. Senate Committee on
 Agriculture, Nutrition, & Forestry
 328A Russell Senate Office Building
 Washington, D.C. 20510

The Honorable Michael Conaway,
 Chairman, U.S. House Committee on Agriculture
 1301 Longworth House Office Building
 Washington, DC 20515

The Honorable Debbie Stabenow
 Ranking Member, U.S. Senate Committee on
 Agriculture, Nutrition, & Forestry
 328A Russell Senate Office Building
 Washington, D.C. 20510

The Honorable Collin Peterson
 Ranking Member, U.S. House Committee on
 Agriculture
 1301 Longworth House Office Building
 Washington, DC 20515

Dear Chairman Roberts, Chairman Conaway, Ranking Member Stabenow, Ranking Member Peterson and Members of the Conference Committee:

On behalf of hundreds of millions of Americans with chronic and serious health care conditions, our 19 organizations urge you as conferees to the Agriculture and Nutrition Act (H.R. 2 and S. 3042) to omit language from the final conference report that would provide \$65 million to establish a loan program and grant program to assist in the establishment of agriculture association health plans (AHPs). Currently section 6004 of the House-passed version of the legislation includes this language. Our organizations oppose this provision because it could impact access to affordable, adequate health insurance coverage for the people we represent.

Together, we represent millions of patients and consumers facing serious, acute, and chronic health conditions across the country. We have a unique perspective on the services and resources that individuals and families need to prevent disease, cure illness, and manage chronic health conditions. Our

diversity enables us to draw upon a wealth of knowledge and expertise that we hope you will utilize as a resource as you work to produce final conference legislation.

Earlier this year, many of our organizations expressed deep concern about the impact that the Department of Labor's rule on AHPs could have on the individuals and families we represent. Unfortunately, the rule has been finalized without addressing many of the concerns raised in comments submitted by many of our organizations.¹ Nevertheless, we remain concerned that providing funding for AHPs that do not meet our standards of adequacy, affordability, and accessibility could jeopardize the health and wellbeing of those who enroll in them. Given the history of fraud and insolvency in AHPs, using federal funds to establish AHPs would put consumers and providers at risk of unpaid bills and taxpayers at risk of defaulted loans. Based on our experience with the Affordable Care Act's loan program for CO-OP plans, it is evident that starting and sustaining a financially viable health plan is difficult to do.² Establishing this loan program at the U.S. Department of Agriculture, which lacks expertise and experience in overseeing health plans, particularly with relaxed federal standards for AHPs, is a risky and ill-advised use of federal funds.

While AHPs can offer lower premiums, they are not required to adhere to important fiscal and quality standards, like shielding consumers from financial risk or coverage for the ten categories of essential health benefits. For example, AHPs have a long history of fraud and insolvency that have historically affected small employers and individuals.³ Many of these plans collected premiums for health insurance coverage that did not exist and did not pay medical claims - leaving businesses, individuals, and providers with millions of dollars in unpaid bills. For consumers and patients, the results were disastrous. We are extremely concerned that new agriculture AHPs will once again leave consumers with insufficient coverage, unpaid medical bills, and lifelong health implications – just as many of these plans did before the Affordable Care Act (ACA) was enacted. AHPs would also be able to exclude coverage of benefits such as mental health care, maternity and newborn care, treatment for substance use disorders, emergency room services, and prescription drugs. AHPs could also charge sharply higher

¹ Multiple Patient Groups, Joint Comments on Definition of "Employer" Under Section 3(5) of ERISA – Association Health Plans Proposed Rule, Mar. 6, 2018, available at <https://www.heart.org/-/media/files/get-involved/advocacy/regulatory-comments-and-correspondence-letters/access/030618-coalition-ahp-comments--final.pdf>; American Cancer Society Cancer Action Network, Comments on Definition of "Employer" Under Section 3(5) of ERISA – Association Health Plans Proposed Rule, Mar. 6, 2018, available at https://www.acscan.org/sites/default/files/ACS%20CAN%20Comments%20on%20AHP%20Proposed%20Rule%20FINAL_0.pdf; Hemophilia Federation of America, Comments on Definition of "Employer" Under Section 3(5) of ERISA – Association Health Plans Proposed Rule, Mar. 6, 2018, available at <https://www.dol.gov/sites/default/files/ebsa/laws-and-regulations/rules-and-regulations/public-comments/1210-AB85/00420.pdf>; American Heart Association & American Stroke Association, Comments on Definition of "Employer" Under Section 3(5) of ERISA – Association Health Plans Proposed Rule, Mar. 6, 2018, available <https://www.heart.org/-/media/files/get-involved/advocacy/regulatory-comments-and-correspondence-letters/access/030518-aha-ahp-comments--final.pdf>; Leukemia & Lymphoma Society, Comments on Definition of "Employer" Under Section 3(5) of ERISA – Association Health Plans Proposed Rule, Mar. 6, 2018, available at <https://www.regulations.gov/document?D=EBSA-2018-0001-0560>; American Diabetes Association, Comments on Definition of "Employer" Under Section 3(5) of ERISA – Association Health Plans Proposed Rule, Mar. 6, 2018, available at <https://www.regulations.gov/document?D=EBSA-2018-0001-0632>;

² S. Corlette, et al, "[Why Are Many CO-OPs Failing: How New Nonprofit Health Plans Have Responded to Market Competition](#)," The Commonwealth Fund, Dec. 2015.

³ Kofman M, Bangit E, Lucia K, MEWAs: The Threat of Plan Insolvency and Other Challenges, Commonwealth Fund, May 2004, available at http://www.commonwealthfund.org/usr_doc/kofman_mewas.pdf.

premiums based on age or they could set premium prices in part on characteristics such as a person’s gender, the industry in which they are employed, or where they live.

In a survey conducted by the U.S. Department of Agriculture published in 2017, two out of three farmers and ranchers reported having at least one pre-existing health condition and 73 percent reported that health insurance was “important” or “very important” due to the high-risk nature of their occupation.⁴ An additional 45 percent of farmers and ranchers are concerned that they will need to sell some or all of their farm or ranching assets to address health related costs at some time in their life.⁵ Farming and ranching are physically demanding professions where the risk of injury is high. Expanding the availability of plans that do not offer comprehensive coverage and fail to adequately protect consumers - including farmers, ranchers, and their families - from financial harm and encouraging agricultural workers to join them – is deeply concerning to us.

Lastly, we are concerned about the impact of the proliferation of AHPs on the overall individual market. As more people opt for AHPs and leave the marketplace, the risk pool for the exchanges will become smaller and premiums will likely increase for those who remain. This could lead to market segmentation that “could threaten non-AHP viability and make it more difficult for high-cost individuals and groups to obtain coverage.”⁶

Our organizations stand ready to work with the Administration, Congress, and other parties to ensure that consumers everywhere have access to affordable *and* high-quality insurance plans while maintaining a strong marketplace. As leaders in the healthcare and research communities and staunch patient and consumer advocates, we look forward to working with you and your fellow conferees to ensure patients and consumers continue to have access to high quality, reliable health insurance products that meet *both* their financial and medical needs.

Thank you for the opportunity to share our thoughts with you as you work towards a final legislative package. If you have any questions or would like to discuss these comments further, please contact Katie Berge, American Heart Association Government Relations Manager, at katie.berge@heart.org or 202-785-7909.

Sincerely,

Arthritis Foundation
Adult Congenital Heart Association
American Cancer Society Cancer Action Network
American Diabetes Association
American Heart Association
American Lung Association
Chronic Disease Coalition
Cystic Fibrosis Foundation
Epilepsy Foundation

Hemophilia Federation of America
Leukemia & Lymphoma Society
Lutheran Services in America
March of Dimes
Muscular Dystrophy Association
National Health Council
National Multiple Sclerosis Society
National Organization for Rare Disorders
National Patient Advocate Foundation
Susan G Komen

⁴ “Health Insurance is Key to Farm & Ranch Economic Viability,” 2017 National Farmer and Rancher Survey Findings, July 2017, available at http://docs.wixstatic.com/ugd/85136a_2cc79e77a6ab471688a5b76bf9ec1c04.pdf.

⁵ *Id.*

⁶ American Academy of Actuaries, “Issue Brief: Association Health Plans”, Feb. 2017, available at <http://www.actuary.org/content/association-health-plans-0>.

Cc:

U.S. Senate

Majority Leader Mitch McConnell
Minority Leader Charles Schumer
Senator John Hoeven
Senator Sherrod Brown
Senator Heidi Heitkamp
Senator John N. Boozman
Senator Joni Ernst
Senator Patrick J. Leahy

U.S. House of Representatives

Majority Leader Kevin McCarthy
Speaker Paul Ryan
Minority Leader Nancy Pelosi
Representative Austin Scott
Representative Bob Goodlatte
Representative David Rouzer
Representative Frank D. Lucas
Representative Glenn Thompson
Representative Jodey Arrington
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Representative Eddie Bernice Johnson
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