

**America's Health
Insurance Plans**

601 Pennsylvania Avenue, NW
South Building
Suite Five Hundred
Washington, DC 20004

202.778.3200
www.ahip.org



March 12, 2018

Representative Linda Upmeyer
Speaker, Iowa House of Representatives
Iowa State Capitol
1007 East Grand Avenue
Des Moines, IA 50319

**RE: HF 2364 / SF 2329 (Health Benefit Plans for Certain Agricultural Organizations) --
OPPOSE**

Dear Speaker Upmeyer:

I am writing on behalf of America's Health Insurance Plans to respectfully oppose HF 2364 and SF 2329, legislation that we believe will harm Iowa's insurance market and increase costs for Iowans.

AHIP is the national association whose members provide coverage for health care and related services. Through these offerings, we improve and protect the health and financial security of consumers, families, businesses, communities and the nation. We are committed to market-based solutions and public-private partnerships that improve affordability, value, access, and well-being for consumers. Our members are committed to providing consumers with affordable products that offer a broad range of robust provider networks of quality, cost-efficient providers.

Although we appreciate the work of the legislature to address the issues of affordability and accessibility of health insurance across Iowa, these proposals will not further those goals and will instead increase premiums and inject new instability into the insurance market. Further, these bills remove important consumer protections that will impact the ability of Iowans with pre-existing conditions to obtain comprehensive health insurance in the private market. Lastly, these bills promote an unlevel playing field and are unquestionably anti-competitive.

HF 2364 and SF 2329 Remove Important Consumer Protections and State Oversight

The legislation being considered proposes to exempt one health insurance product, sponsored by a non-profit agricultural organization domiciled in Iowa, from Iowa's laws that govern insurance and protect consumers. Moreover, the bills permit the health benefit plan(s) sponsored by this one organization to be under a self-funded (non-insured) arrangement. That element, and the promotion of the programs across the state, would sweep a large swath of currently insured

consumers away from traditional insurance and state regulatory oversight and into a product lacking many of the basic protections otherwise afforded to Iowa consumers.

HF 2364 and SF 2329 Will Increase Premiums and Make Insurance Markets Unstable

We are concerned that this unregulated program will further destabilize the individual market in Iowa and will affect the small group market as well. When healthy and younger individuals move into this unregulated program, it will leave those with pre-existing conditions and active medical conditions in the market regulated by the Affordable Care Act (ACA). The Iowans in the ACA policies will pay higher premiums as a result, merely shifting costs from one segment of the population to another.

The ACA requires that all individual insurance policies be put into a single risk pool, and likewise all small group insurance policies. This important provision is intended to spread the risk across a broad group of consumers so that coverage can be more affordable. However, HF 2364 and SF 2329 will fracture Iowa's individual and small group markets, increase costs for individuals and small groups not in the agricultural organization's membership, and do lasting harm to Iowa's health insurance exchange.

This proposed exemption will create significant harm for other Iowans, and should be reviewed closely to determine whether that risk can be eliminated.

HF 2364 and SF 2329 Promote an Unlevel Playing Field and Are Anti-Competitive

The proposal outlined in these bills favors one program offered by a specific entity over all others. This effectively offers a unique advantage that cannot be met in other segments of the market. Ultimately, this would result in greater difficulties in providing access to affordable coverage options to those remaining in the single risk pools.

While we support efforts to provide affordable health care coverage options to Iowans, ultimately these proposals will fail to achieve this goal. Instead, this proposal will expose more Iowans to higher health insurance premiums and financial risk. These bills also create a state-sanctioned monopoly for one third-party administrator to serve this program, reducing future choices that may be available to Iowans. **For these reasons, we oppose HF 2364 and SF 2329.**

If you have any questions or would like to discuss the matter further, please contact me at jkeepes@ahip.org or by phone at (202) 400-0928.

Sincerely,



Joshua Keepes, J.D.
Regional Director, State Affairs