

TESTIMONY IN OPPOSITION TO SB 32

March 6, 2019

Chairwoman Jene Vickrey and Members of the Committee,

The Kansas Chapter, American Academy of Pediatrics (KAAP) represents over 90% of the practicing pediatricians in the state. The KAAP has the fundamental goal that all children and adolescents in Kansas have the opportunity to grow safe and strong. It is with this goal in mind that we want to thank you for the opportunity to provide testimony in opposition to Senate Bill 32 regarding Association Health Plans (AHPs). Without the critical protections of a regulated insurance policy, Kansas families who purchase these products may feel the relief of lower cost when they pay for their product, but they will be disappointed when the limitations of what they purchase do not protect and serve their families. We urge Kansas lawmakers to oppose unregulated health products proposed in Senate Bill 32.

- AHPs are NOT insurance plans. They are unregulated, and thus the Department of Insurance will have no power to protect Kansas families from bad practices or help customers with complaints or issues.
- These plans often exclude patients with pre-existing conditions, including maternity care. There is ample evidence connecting access to optimal prenatal care to healthier mothers and babies.
- When catastrophic injury or illness does occur (always unexpected), these patients will **not** have sufficient coverage. Medical bankruptcy is a reality that could add to the traumatic nature of an already unforeseen medical condition with lasting negative effects on Kansas children and families.
- By cherry-picking healthy Kansans, these plans will drive up the costs and destabilize the insurance market for other Kansans. Kansas families seeking comprehensive coverage will be penalized as AHPs make meaningful coverage more expensive and less attainable.
- Many uninsured farm workers may actually be eligible for marketplace coverage or Medicaid but just don't know it or otherwise not enrolled. Of the approximately 27 thousand farmers and farm workers in Kansas, 12% are uninsured. Of these ~3,390 uninsured, 33% are under 200% of poverty, 46% are 200-399% of poverty, and 21% are at least 400% of poverty level. (Source: Center on Budget and Policy Priorities). Which is to say that such farm workers may already be eligible for subsidies to help them purchase insurance that includes much needed benefits and consumer protections.
- AHPs, as non-Affordable Care Act (ACA) compliant plans, will **not** be required to cover the 10 essential health benefits (EHB), and families may come into pediatric offices not realizing services won't be covered. EHB as mandated by ACA include:



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1. Ambulatory patient services (outpatient services)
2. Emergency services
3. Hospitalization
4. Maternity and newborn care
5. Mental health and substance use disorder services, including behavioral health treatment
6. Prescription drugs
7. Rehabilitative and habilitative services and devices
8. Laboratory services
9. Preventive and wellness services and chronic disease management
10. Pediatric services, including oral and vision care

While they may appear less expensive at first glance, these health plans create a Swiss-cheese model of healthcare coverage. Are we willing to take that risk for the health of our children in Kansas? It is clear, Senate Bill 32 will allow for less than optimal pediatric health care in Kansas. In fact, the health care product may actually worsen health care services, particularly in rural Kansas. When the limitations of these products are exposed in real life because they do not cover health care needs as insurance does, local doctors and hospitals will feel the strain of providing uncompensated care even greater than they do now.

Thank you for your time and attention. We welcome any questions you might have and are happy to serve as your resource on all pediatric issues.

Respectfully submitted,

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