



February 28, 2019

The Honorable Jene Vickrey  
Chairman, Kansas House Committee on Insurance  
276-W Kansas State Capitol  
300 SW 10<sup>th</sup> Street  
Topeka, KS 66612

Re. SB 32 – written testimony for the March 6 House Committee on Insurance hearing

Dear Chairman Vickrey and Members of the Committee:

The Leukemia & Lymphoma Society (LLS) appreciates the opportunity to comment on Senate Bill 32, legislation concerning the creation of a health benefit plan for Kansas Farm Bureau members.

SB 32 is rightly driven by concern for Kansans facing problems with the cost of health insurance coverage, but the plans this bill would create are not the right answer to these problems. Kansas consumers deserve health coverage that is not just affordable on the front end; coverage must also deliver a stable, high-quality product they can afford to use when illness strikes. This coverage should include a full benefit set to protect people when they become sick, and should require guaranteed issue at a steady price regardless of one's medical history to prevent discrimination. Good coverage should also require tight profit margins to ensure customer's premiums are spent on their care.

That is not what SB 32 delivers. Nearly 2 in 3 Kansas farmers<sup>1</sup> and 30 percent of non-elderly adult Kansans have pre-existing conditions,<sup>2</sup> but these plans will reject people with pre-existing conditions. These plans will also offer weaker benefits that could leave people facing costly gaps in coverage and will operate without the protective oversight of the Kansas Department of Insurance to make sure consumers are treated fairly and that premium dollars are spent carefully.

We are also concerned that for less healthy customers turned away by the SB 32 plan – such as cancer survivors – the costs of their health care will go up. The American Academy of Actuaries, the leading national organization for the professionals whose math expertise makes insurance possible, described this dynamic in a letter last year to federal regulators.

When one plan is allowed to cherry-pick healthier customers who cost less to cover, costs go up on the other plans. This cherry-picking can take the form of reduced benefits, denial of applications, and pricing sicker people out of their plans – all things that SB 32 would allow.<sup>3</sup>

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<sup>1</sup> <http://www.choicesmagazine.org/choices-magazine/submitted-articles/health-insurance-and-national-farm-policy>

<sup>2</sup> <https://www.kff.org/health-reform/issue-brief/pre-existing-conditions-and-medical-underwriting-in-the-individual-insurance-market-prior-to-the-aca/>

<sup>3</sup> [https://www.actuary.org/files/publications/AHP\\_Comment%20Letter\\_030518.pdf](https://www.actuary.org/files/publications/AHP_Comment%20Letter_030518.pdf)

LLS supports innovative efforts to improve affordability and access, but not if these efforts compromise the ability of blood cancer patients to find, receive, and sustain the care they need. We've seen the medical, economic, and personal consequences of substandard coverage too many times, and know that the path forward on improving our health care system must include protecting patients.

Members, please vote no on SB 32, and send us back to the drawing board to pursue better options to address the costs of coverage such as reinsurance and targeted premium assistance. Clearly the Farm Bureau wants to improve access to coverage and care for Kansans, too, and we would be honored to work with them and anyone else who wants progress on this issue to pursue cost-savings ideas that don't carry such serious risks for people with pre-existing conditions.

Sincerely,

A handwritten signature in black ink that reads "Dana Bacon". The signature is written in a cursive, flowing style.

Dana Bacon  
Kansas Government Affairs Director  
The Leukemia & Lymphoma Society

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