



Testimony of Whitney A. Parrish Perry, Government Relations Director
American Heart Association

LD 893, “*An Act to Exempt Nonprofit Agricultural Membership Organizations from Insurance Requirements*”

Senator Bailey, Representative Mathieson, and esteemed members of the Joint Standing Committee on Health Coverage, Insurance, and Financial Services:

My name is Whitney Parrish Perry, and I am the Maine Government Relations Director of the American Heart Association. The American Heart Association (AHA) is the nation’s oldest and largest voluntary organization dedicated to fighting heart disease and stroke, whose mission is to be a relentless force for a world of longer, healthier lives. I am testifying in opposition to LD 893, “*An Act to Exempt Nonprofit Agricultural Membership Organizations from Insurance Requirements.*”

This bill exempts health plans offered for sale by a “nonprofit agricultural membership organization” from state laws that regulate health insurance coverage. These plans are often referred to as “farm bureau plans.” Allowing their proliferation has the potential to weaken the overall effectiveness of the Affordable Care Act (ACA) by exposing consumers, particularly those with pre-existing conditions, to significant financial risk, segmenting the individual market risk pool, and unnecessarily inflating insurance premiums for people who rely on comprehensive coverage provided through the ACA marketplaces.

As with other under- and unregulated arrangements, such as short-term limited duration health plans, association health plans, and permitting the sale of insurance across state lines, enrollees in farm bureau plans often risk financial hardship and difficulties when accessing necessary care. These plans do not comply with ACA consumer protections, which allows them to deny coverage for pre-existing conditions, exclude certain medical expenses, and impose caps on coverage. Healthier individuals are likely the only ones who will make it through the medical underwriting process and enroll, leaving sicker, often older individuals in the more comprehensive plans, driving up the cost of those plans.



We ask that you vote “Ought Not to Pass” on LD 896. I am happy to answer any questions you may have about this testimony. Thank you for your time and attention.