



STATE OF MAINE
DEPARTMENT OF AGRICULTURE, CONSERVATION & FORESTRY
OFFICE OF THE COMMISSIONER
22 STATE HOUSE STATION
AUGUSTA, MAINE 04333

JANET T. MILLS
GOVERNOR

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March 27, 2025

Senator Donna Bailey
Representative Kristi Mathieson
Joint Standing Committee on Health Coverage, Insurance & Financial Services
c/o Legislative Information Office
100 State House Station
Augusta, ME 04333

Dear Senator Bailey and Representative Mathieson:

Please accept this letter concerning LD 893, *An Act to Exempt Nonprofit Agricultural Membership Organizations from Insurance Requirements*, in which the Department of Agriculture, Conservation and Forestry (DACF) conveys our understanding of the challenges farmers face in accessing affordable healthcare, and yet, our similar concerns about this bill as outlined in the testimony of the Department of Professional and Financial Regulation (DPFR).

Over the past year, DACF has been in active conversation with Maine farmers and farm organizations, including the Maine Farm Bureau, regarding their concerns about healthcare affordability and accessibility. Nationwide, 10.7% of farm household members had no health insurance, compared with 9.1% for the U.S. population.¹ According to a 2017 USDA survey, 73% of farmers and ranchers said that having affordable health insurance was an important means of reducing their business risk while 52% were not confident they could pay the costs of a major illness such as a heart attack, cancer, or loss of limb without going into debt.²

Statistics show that farm families often make the difficult decision to have one spouse pursue work off-farm in order to provide health insurance for the whole family. Our conversations with producers echoed this trend and also highlighted that while many farm businesses desire to provide health care for their employees, the costs of doing so are untenable. This can result in a reduction of skilled labor at the farm operation and exposes the farm, its workers, and its owners to risk.

¹ Public Health Watch, March 4, 2024. <https://publichealthwatch.org/2024/03/04/texas-farmers-ranchers-health-uninsured/>

² 2017 National Farmer and Rancher Survey Findings, USDA NIFA https://www.norc.org/content/dam/norc-org/pdfs/85136a_2cc79e77a6ab471688a5b76bf9ec1c04.pdf

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As a result of these conversations, DACF met with the Superintendent of the Bureau of Insurance to better understand existing State health insurance regulations, the insurance policies available through the current health insurance marketplace, and the eligibility criteria for premium tax credits. We also partnered with the Office of the Health Insurance Marketplace, Consumers for Affordable Health Care, and Austin Associates, an accounting firm well-versed in working with agricultural businesses, to host an educational seminar for farmers at the 2025 Agricultural Trades Show.³ The intent of the Agricultural Trades Show session was to increase awareness of the availability of premium tax credits and cost-sharing reductions that farmers may be eligible for depending on their Maine adjusted gross income (MAGI). In addition, Health Insurance Marketplace navigators were on-site throughout the three-day event to meet with farmers one-on-one to answer their questions regarding tax credit eligibility. We also plan to add links to our website with current information closer to the open enrollment period in 2025, which begins on November 1.

Through these efforts, DACF understands that at least 80% of all Maine residents are eligible for some level of premium tax credit, a fact of which many citizens may be unaware. Maine farms can benefit from increased technical support available through Consumers for Affordable Health Care to navigate the health insurance marketplace and take advantage of their potential eligibility for premium discounts. DACF is committed to continuing to link farmers to the coverage options available through Maine’s Health Insurance Marketplace, the eligibility and enrollment specifics for CoverME plans and MaineCare, and the details of how farms calculate MAGI and the impact this may have on their eligibility for premium tax credits.

DACF also did research on health care plans offered in other states that do not conform with the Affordable Care Act (ACA), particularly Farm Bureau Health Plans in Tennessee. This type of health plan is designed to fill a niche in the health coverage field to meet the needs of those who earn too much to qualify for ACA subsidies and are not covered by employer insurance. To be offered in a state, a law must be enacted that establishes the definition of a “health product” as distinct from health insurance and, therefore, is not subject to the same regulations as health insurers. When a state statute defines a health product in that manner, the ACA does not apply to it, and this enables the product to be structured differently than standard health insurance policies. For instance:

- Coverage can be denied based on certain preexisting conditions (e.g., a recent heart attack or someone undergoing cancer treatment)
- A 6-month waiting period exists for approved preexisting conditions, after which they are covered; and
- An individual must have been on a plan for nine months before pregnancy coverage applies (in other words, there is a 9-month waiting period for pregnancy coverage).

Given our efforts over the past year to immerse ourselves in this issue, DACF supports the availability of affordable, high-quality health insurance for Maine farmers. However, we share

³ <https://www.youtube.com/live/UH27-atMbhg>

the concern of the DPFRR about this population's exposure to risks associated with an insurance program that doesn't offer the same protections as ACA (e.g., coverage of pre-existing conditions) and the lack of regulatory oversight afforded to the Bureau of Insurance, which is intended to protect consumers. In the absence of other alternatives to decreasing health insurance costs for farmers, we remain committed to working with DPFRR and our agricultural community to ensure that all Maine farmers receive the support they need to navigate the Health Insurance Marketplace to take full advantage of cost-share opportunities, and to support them in continuing to seek solutions to other challenges in accessing health insurance.

Sincerely,

A handwritten signature in black ink, appearing to read "Nancy McBrady". The signature is fluid and cursive, with a prominent initial "N" and a long, sweeping horizontal stroke at the end.

Nancy McBrady, Deputy Commissioner