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February 11, 2019

Representative Jene Vickrey
Kansas State Capitol
300 SW 10th St, RM 276-W
Topeka, KS 66612

Re: Requiring coverage of preexisting coverage, HB 2074: Neutral

Dear Chairman Vickrey and Committee Members:

I am writing today to convey Medica's position on House Bill 2074 and our support of preexisting condition protections broadly.

Medica is an independent and nonprofit health care organization with approximately 1.6 million members in nine states, and has offered coverage in the Kansas individual market since 2017. We currently serve around 13,000 Kansans. Medica's mission is to be the trusted health plan of choice for our customers, members, partners, and our employees.

Medica strongly supports ensuring individuals with preexisting conditions have access to high quality, affordable healthcare options in Kansas. As one of the current health plans in the individual health insurance market, all of our product offerings are required to accept all applicants, regardless of health status. We are proud to extend coverage to Kansans who need it most. The language and provisions of HB 2074 are duplicative of the bedrock guarantee issue protections in federal law, which is why Medica has submitted neutral testimony. We are neutral because we already have to comply with guaranteed issue requirements.

While our position is neutral, we applaud the Committee for drawing attention to this important consumer protection. Guarantee issue health insurance products are now an industry and consumer expectation and norm. Another proposed product offering before the Committee, the sale of non-insurance healthcare benefits by a nonprofit agriculture organization, is not subject to guarantee issue and does not have the preexisting condition protections provided for in HB 2074. We would encourage the Committee to extend preexisting protection to any health care benefit offered in Kansas, including those designated as not insurance under state and federal law. Kansans of all types deserve the protections contemplated in HB 2074.

Solutions exist to provide consumers with more affordable health insurance options while still protecting preexisting conditions. In fact, Medica worked with the Nebraska Farm Bureau to create a product for farmers, ranchers, and others connected with the agricultural community, and we welcome the opportunity to do so in Kansas and other states in our service area. To our knowledge, the collaboration in Nebraska was one of the first association health plan (AHP) created under the new regulatory flexibility made available by the U.S. Department of Labor last year. The association health plan is guarantee issue,

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meaning it cannot deny applicants for pre-existing conditions. Within the association health plan, members have the option of several plan types and networks with robust benefits, while costing twenty-five percent less than individual ACA coverage without subsidies.

We stand ready to work with the Committee and stakeholders to ensure preexisting protections are in place for all Kansans. Thank you for the opportunity to offer comment on HB 2074 and protecting preexisting conditions. I am happy to answer any questions.

Respectfully,



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