



January 25, 2019

Re. SB 32 – written testimony for the January 29 Senate Committee on Financial Institutions and Insurance hearing

Dear Chairman Olson and Members of the Committee:

The Leukemia & Lymphoma Society (LLS) appreciates the opportunity to comment on Senate Bill 32, the first of several bills concerning association health plans (AHPs) scheduled for consideration in your Committee this session.

In March 2018, LLS submitted separate and joint comments regarding the now-enacted changes in federal AHP rules.¹ In brief, our concerns were that further deregulation of AHPs could result in the proliferation of lower-quality coverage options, and could destabilize the individual market as healthier individuals (most of them already insured) move toward AHPs. More than 95 percent (266 of 279) of healthcare groups representing patients, doctors, hospitals, insurers, and others issued critical comments toward the AHP rule proposal.²

Patient advocacy groups were not alone in having concerns about the proposal. The U.S. Department of Labor “largely ignored requests from state insurance regulators and others to delay implementation of the rule until 2020 to give states time to assess their existing laws and adopt new protections if needed,” according to a June 2018 article in *Health Affairs*.³

These concerns remain intact today as your committee discusses SB 32 and other AHP bills this session. Between potentially diluting the quality of coverage for blood cancer patients and creating adverse selection issues for the individual market, any effort to increase access to AHPs must be matched by careful state-level regulation of these plans – not the erosion or (particularly in the case of SB 32) the removal of oversight entirely. Kansas consumers deserve health coverage that is not just affordable on the front end, but that delivers a stable, high-quality product they can afford to use when illness strikes.

¹ <https://www.dol.gov/sites/default/files/ebsa/laws-and-regulations/rules-and-regulations/public-comments/1210-AB85/00570.pdf> and <https://www.dol.gov/sites/default/files/ebsa/laws-and-regulations/rules-and-regulations/public-comments/1210-AB85/00666.pdf>

² <https://www.latimes.com/politics/la-na-pol-trump-insurance-opposition-20180530-story.html>

³ <https://www.healthaffairs.org/doi/10.1377/hblog20180621.671483/full/>

Our concerns are guided by our LLS Principles for Meaningful Coverage, a document outlining blood cancer patients' needs and considerations regarding health coverage access, quality, affordability, and stability.⁴ Broadly speaking, these principles state that:

- (1) Cancer patients must continue to have the right to purchase quality, affordable health insurance to help them access the care they need;
- (2) Policymakers must continue to provide minimum standards for quality that protect patients from being locked out of necessary treatment due to barebones coverage;
- (3) Guaranteed access to coverage is a false promise without premium assistance and cost-sharing limits that allow a cancer patient to afford to use that coverage; and
- (4) Policymakers must ensure that changes in the laws and rules governing health insurance coverage are not undertaken so abruptly as to destabilize the insurance market.

We understand that small businesses face uncommon challenges in providing affordable, comprehensive health coverage for their employees and their families. We also understand that uninsured Americans need more coverage options, especially in states that have not expanded access to Medicaid. We support 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.

In the absence of evidence to relieve our concerns about the scope and timing of the deregulation efforts proposed in these bills, we encourage you to refrain from scheduling votes on SB 32 and other AHP bills coming before your committee. Slowing the pace of discussions on these bills will allow for fuller public analysis and deliberation, and will increase the likelihood that no inadvertent harm will be done to Kansas blood cancer patients and others.

Sincerely,



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⁴ <https://www.lls.org/cancercost/principles>