



Don't create unregulated health products that can deny coverage or charge more to people with pre-existing conditions

Vote NO on: HB 3924 - Farm Bureau plans
HB 3752 - Texas Mutual plans

HB 3924 and HB 3752 create new “insurance-like” coverage that is exempt from ALL state and federal health insurance laws, including pre-existing condition protections. “Insurance-like” coverage poses a threat to the 28 percent of Texans with pre-existing conditions¹ and to the stability of the Texas insurance market itself.²

These plans will drive up costs for small employers and people with pre-existing conditions

- These plans want permission to cherry-pick healthy customers – something insurers aren’t allowed to do. By rejecting people with a history of illness, charging them more, and/or limiting coverage for their pre-existing conditions, these plans drive up costs for those who are left behind.³
- Farm Bureau plans have significantly hurt the individual insurance market in Tennessee, which has the worst “risk score” (highest cost enrollees) and some of the highest rate increases in the nation.⁴

Nine in ten Texans think health plans should be required to cover pre-existing conditions

- Texans’ overwhelming support for strong pre-existing condition protection extends across party lines.⁵

Insurance-like plans aren’t a bargain when you get sick or injured

- Insurance-like products can have big gaps in covered benefits that expose people to catastrophic costs and medical debt when they get sick. They can also place lifetime or annual limits on coverage.
- In Iowa, Farm Bureau plans have a lifetime cap on coverage. In Kansas and Tennessee, some Farm Bureau family plans cap prescription drug benefits at \$7,500 per year per person.

These plans would not be regulated as insurance, even though they’d operate like it

- These bills explicitly exempt the new coverage from *all* state and federal standards for health insurance, like protections for surprise medical billing, network adequacy, mental health parity, and more.
- The Texas Department of Insurance will have no authority to help consumers who enroll in these plans.

Regular insurance just became far more affordable, removing the justification for risky plans

- The latest federal COVID-relief law has reduced premium costs dramatically for most Texans – sometimes by more than half.⁶
- Nearly 2.2 million uninsured Texans qualify for lower premiums under the latest COVID-relief bill.⁷

¹ <https://www.kff.org/health-reform/issue-brief/pre-existing-condition-prevalence-for-individuals-and-families/>

² https://www.lls.org/sites/default/files/National/undercovered_report.pdf

³ <https://www.shadac.org/news/alternatives-aca-compliant-plans-individual-market>

⁴ <http://www.communityplans.net/wp-content/uploads/2018/04/Wakely-Short-Term-Limited-Duration-Plans-Report.pdf>

⁵ <https://www.episcopalhealth.org/news-release/new-ehf-health-policy-poll-texans-show-sweeping-support-protections-pre-existing-conditions1/>

⁶ <https://www.kff.org/health-reform/issue-brief/impact-of-key-provisions-of-the-american-rescue-plan-act-of-2021-covid-19-relief-on-marketplace-premiums/>

⁷ <https://www.kff.org/health-reform/state-indicator/distribution-of-eligibility-for-aca-coverage-among-the-remaining-uninsured/>