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October 14, 2021

The Honorable Gene L. Dodaro
U.S. Comptroller General
U.S. Government Accountability Office
441 G Street, NW
Washington, D.C. 20548

Dear Comptroller Dodaro:

I write to respectfully request that the U.S. Government Accountability Office (GAO) assess the impact of health care offerings by state Farm Bureaus, health care sharing ministries, and other arrangements that are exempt from certain federal and state requirements for health insurance. This assessment should include an analysis of these offerings' market size, operations, financial and actuarial practices, marketing, exclusions, renewal policies, general solvency, medical loss ratios, and how their benefits generally compare to those of plans offered under the *Affordable Care Act* (ACA).¹

Farm Bureaus in a few states have historically offered state-regulated health insurance to their members, usually those who work in agriculture as farmers and their families. Since the passage of the ACA in 2010 however, some states have moved to exclude these offerings from the state definition of insurance.² As a result, the offerings—which still functionally operate as insurance—are not defined as insurance and are not subject to either state or federal regulation.³ Despite often being targeted to a certain workforce, these plans generally do not meet the definition of a group health plan under the *Employee Retirement Income Security Act of 1974* (ERISA).⁴ Similarly, health care sharing ministries purport to pool risk (and provide benefits similar to health insurance) to groups of people who share a belief system, but they fall outside

¹ See 42 U.S.C. §§ 18001 *et. seq.*

² Partnership to Protect Coverage, *Under-Covered: How "Insurance-Like" Products are Leaving Patients Exposed*, 18 (Mar. 2021), [Undercovered_Report_03252021.pdf\(nami.org\)](https://www.nami.org/undercovered-report-03252021.pdf) (listing five states—Tennessee, Indiana, Iowa, South Dakota, and Kansas—that have exempted its Farm Bureau's health plans from regulation, but noting that Tennessee excluded farm bureau coverage from state regulation prior to the passage of the ACA).

³ *Id.* at 17.

⁴ See 29 U.S.C. §§ 1001 *et. seq.*

the definition of insurance in many states and thus avoid most federal, as well as state, regulation.⁵

Federal policymakers lack a clear understanding of these offerings and the impact they have on consumers, employer-offered benefits, and the health care market. In contrast to ACA plans, plans such as those offered by Farm Bureaus and health care sharing ministries may be able to avoid the law's consumer protections and therefore could pose a risk to those who purchase such offerings. In addition, these offerings could create adverse selection risk potentially leading to instability in premiums and higher costs for consumers in the regulated market.

Because these products are not subject to federal regulation, policymakers have yet to develop a complete understanding of how such plans operate or how they impact the regulated markets. In the past, GAO has provided valuable information to policymakers regarding similar issues raised by multiple employer welfare arrangements.⁶ Accordingly, we ask that GAO undertake an investigation to answer the following questions:

1. What is known about how many people participate in Farm Bureau plans, health care sharing ministries, and other arrangements exempt from certain federal and state health insurance requirements? What is known about the characteristics of people participating in these plans (e.g., income, age distribution, proportion of individuals with pre-existing conditions), and how has participation in these plans changed since the enactment of the ACA?
2. To what extent are specific workers and/or industries the focus of marketing practices by Farm Bureau plans, health care sharing ministries, and other arrangements? What, if any, impact does this have on any identifiable workforces and/or industries?
3. What benefits are typically covered and excluded by Farm Bureau plans, health care sharing ministries, and other arrangements? To what extent are premiums in these plans based on age, health status, gender, or other health factors including exclusions for, or increased premiums for preexisting conditions, and how do medical loss ratios compare to the requirements for insured health plans, including employment-based health plans offered?
4. What are the typical application, enrollment, and marketing practices of Farm Bureau plans, health care sharing ministries, and other arrangements? Are they marketed to certain groups, such as based on employment or industry, or to certain individuals? What requirements, if any, are there for membership? What information do they collect from applicants, and do they fairly represent the product offered including limitations in coverage and tax implications?
5. What is the ownership and operating structure of health care sharing ministries? How do they interact with other third-party commercial entities, including for-profit entities?

⁵ See Reed Abelson, *It Looks Like Health Insurance, but It's Not. 'Just Trust God,' Buyers are Told* (Jan. 2, 2020), N.Y. Times, <https://www.nytimes.com/2020/01/02/health/christian-health-care-insurance.html> (last visited Aug. 31, 2021).

⁶ See U.S. Government Accountability Office, *States Need Labor's Help Regulating Multiple Employer Welfare Arrangements* (Mar. 10, 1992), <https://www.gao.gov/assets/hrd-92-40.pdf>.

The Honorable Gene L. Dodaro

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Thank you for your attention to this matter. If you have any questions or wish to discuss further, please contact Tanisha Wilburn (tanisha.wilburn2@mail.house.gov) or Daniel Foster (daniel.foster@mail.house.gov) with the U.S. House of Representatives Committee on Education and Labor.

Please direct all official correspondence to the Committee's Chief Clerk, Rasheedah Hasan, at Rasheedah.Hasan@mail.house.gov.



ROBERT C. "BOBBY" SCOTT
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