



# Farm Bureau Health Coverage Plans



## What are Farm Bureau Plans?

Farm Bureau Plans (FBPs) are affordable health care options offered by a state's Farm Bureau to its members. These plans are not traditional insurance, and instead provide an alternative choice for those who cannot afford other options on the insurance market.



## Is a FBP insurance?

No. Because plans are not considered "insurance" the Farm Bureau is able to evaluate the health situation of each individual and develop plans and premiums to suit their individual needs.



## How much do FBPs cost?

On average, across several states, FBPs have 30 to 50 percent lower premiums compared to similar individual market plans, with some enrollees receiving even greater savings.<sup>1</sup> The cost to the state to implement these plans is minimal to non-existent.



## Why would a Farm Bureau want to offer this benefit to members?

Farm Bureau members have asked for relief from onerous health care costs. Since ObamaCare was rolled out in 2013, premiums have more than doubled in the individual market.<sup>2</sup> Deductibles also have increased considerably over the same time period.<sup>3</sup>



## What benefits do FBPs offer?

FBPs are not insurance, making them exempt from many of the regulatory requirements contained in insurance law. However, the plans still offer robust sets of benefits. In every state that has implemented FBPs, they include options for comprehensive coverage with reasonable monthly costs, free or low-cost preventative care, prescription drug coverage, telehealth services, dental and vision care options, a health savings accounts (HSA) for qualified High Deductible Health Plans (HDHPs), and most offerings have no annual or lifetime limits.<sup>4</sup> Unlike with individual market plans, participants can enroll at any time.<sup>5</sup>



## Who do FBPs cover?

Any state Farm Bureau member under the age of 65 can apply for FBP coverage.<sup>6</sup> The plans are typically attractive to those who do not qualify for either Medicaid or ObamaCare premium subsidies. The cost to become a state Farm Bureau member is the annual fee (e.g., \$30 per year in Tennessee).<sup>7</sup> Many state Farm Bureaus offer FBPs in every single county, creating an option for rural Americans who have extremely limited access to existing insurance plans.<sup>8</sup>



## Do all who apply receive coverage?

Almost all individuals applying for FBPs receive coverage. While not a fit for everyone, these plans represent a more affordable option. They are most likely to attract individuals who would otherwise be uninsured. According to a fiscal analysis from Iowa, an estimated 83 percent of those covered by FBPs would otherwise go without insurance.<sup>9</sup>

FBPs add another option for rural Americans, who often lack choices in affordable health coverage.<sup>10</sup> FBPs may not be the right choice for all individuals but can help those who would not be able to purchase insurance due to continually rising costs. In Tennessee, for example, nine out of 10 that apply for a FBP receive coverage.<sup>11</sup>

Each applicant will be individually rated based on their medical history. For some they may have a waiting period for conditions diagnosed prior to obtaining coverage under a health care benefit plan.<sup>12</sup> This is to underscore that these plans are for committed members of the Farm Bureau.

Similarly, ObamaCare has a limited open enrollment period to prevent enrollees from waiting till they get sick to buy insurance. As a result, if an individual misses the open enrollment period, and does not have a qualifying life event, then they must remain uncovered until the next open enrollment period. But unlike the federal law, Farm Bureau members can sign up for coverage any time of year.

In Tennessee, for example, once an enrollee has become a member of the Farm Bureau, received coverage, and is paying their premiums, the coverage has guaranteed renewability, and members can keep coverage till they turn 65 and become Medicare eligible.<sup>13</sup>



## Are these different from how large companies in our state offer coverage?

FBPs are basically run the same as any self-funded plan already being offered in the state by a medium- to large-sized employer to its employees. If a policymaker is comfortable with how those plans are run, they should have no issue with Farm Bureau plans.



## What happens if a member gets sick? Will they lose coverage?

In Tennessee, for example, once members are accepted and they continue to pay their membership and premiums, they will keep their coverage. Their coverage is never dropped because of medical claims.<sup>14</sup> Most plans have no annual or lifetime limits.<sup>15</sup> In most cases, plans can only be terminated if a premium is not paid, a member requests cancellation, membership is not renewed, or misrepresentation is used during the application process.



## Will FBPs pull members from the exchanges?

No, as almost all exchange enrollees are receiving federal subsidies, they will not join a FBP as subsidies are only available on the exchange.<sup>16</sup> In Iowa, four out of five who were projected to sign up were uninsured.<sup>17</sup> In Tennessee, where the longest existing FBP operates, there are more issuers on the exchange compared to most other neighboring states.<sup>18</sup> In other words, the FBP has not adversely impacted the insurance market because many of the FBP members would be uninsured otherwise.

There has been some thought that the FBP might make the rest of the insurance market healthier as FBPs cover many older and more expensive rural Americans and prevent them from waiting to pick up exchange coverage when they get sick, or from going on Medicaid if they stop working.<sup>19</sup>



## How does someone join a Farm Bureau?

Each state has different membership requirements, but generally it requires being involved in or supporting agriculture and paying annual dues. Farm Bureaus do not pursue a health plan to offer coverage to all members of the public; rather, they do so to benefit their current members, many of whom are unable to find affordable coverage elsewhere.

Farm Bureaus are private, membership organizations that support agriculture. As such, their members are largely in rural areas and either actively farm or work in the broader agriculture industries. FBPs can be a tremendous asset to each state through lowering the number of uninsured consumers—especially in rural areas—but lawmakers should bear in mind that these plans are self-funded plans for a private, membership organization.

## REFERENCES

1. eHealth, "Average Individual Health Insurance Premiums Increased 99% Since 2013, the Year Before Obamacare, & Family Premiums Increased 140%," eHealth (2017), <https://news.ehealthinsurance.com/news/average-individual-health-insurance-premiums-increased-99-since-2013-the-year-before-obamacare-family-premiums-increased-140-according-to-ehealth-com-shopping-data>.
2. Ibid.
3. Hayden Dublois and Josh Archambault, "Farm Bureau Plans: Affordable Health Care Options for Americans," Foundation for Government Accountability (2021), <https://thefga.org/research/farm-bureau-plans/>.
4. Hayden Dublois and Josh Archambault, "Farm Bureau Plans: Affordable Health Care Options for Americans," Foundation for Government Accountability (2021), <https://thefga.org/research/farm-bureau-plans/>.
5. Ibid.
6. Ibid.
7. Tennessee Farm Bureau Insurance, "General – FAQ," Tennessee Farm Bureau (2020), <https://www.fbiftn.com/about/insurance-faq>.
8. Hayden Dublois and Josh Archambault, "Farm Bureau Plans: Affordable Health Care Options for Americans," Foundation for Government Accountability (2021), <https://thefga.org/research/farm-bureau-plans/>.
9. Fiscal Services Division, "SF 2349 Fiscal Note," Iowa Legislative Services Agency (2018), <https://www.legis.iowa.gov/docs/publications/FN/961243.pdf>.
10. Hayden Dublois and Josh Archambault, "Farm Bureau Plans: Affordable Health Care Options for Americans," Foundation for Government Accountability (2021), <https://thefga.org/research/farm-bureau-plans/>.
11. Based on data obtained during authors' conversations with Tennessee Farm Bureau.
12. Hayden Dublois and Josh Archambault, "Farm Bureau Plans: Affordable Health Care Options for Americans," Foundation for Government Accountability (2021), <https://thefga.org/research/farm-bureau-plans/>.
13. Tennessee Farm Bureau Insurance, "FAQ," Tennessee Farm Bureau (2020), <https://fbhealthplans.com/faq/>.
14. Ibid.
15. Ibid.
16. Centers for Medicare and Medicaid Services, "Early 2020 Effectuated Enrollment Snapshot," U.S. Department of Health and Human Services (2020), <https://www.cms.gov/CCIIO/Resources/Forms-Reports-and-Other-Resources/Downloads/Early-2020-2019-Effectuated-Enrollment-Report.pdf>.
17. Fiscal Services Division, "SF 2349 Fiscal Note," Iowa Legislative Services Agency (2018), <https://www.legis.iowa.gov/docs/publications/FN/961243.pdf>.
18. Kaiser Family Foundation, "Number of Issuers Participating in the Individual Health Insurance Marketplaces," KFF (2021), <https://www.kff.org/other/state-indicator/number-of-issuers-participating-in-the-individual-health-insurance-marketplace/?currentTimeframe=0&sortModel=%7B%22collid%22:%22Location%22,%22sort%22:%22asc%22%7D>.
19. Based on data obtained during authors' conversations with Tennessee Farm Bureau.