



February 14, 2021

Governor Kristi Noem
Office of the Governor
500 East Capitol Avenue
Pierre, SD 57501

Dear Governor Noem,

On behalf of thousands of South Dakotans with serious acute and chronic health conditions, we write to urge your veto of Senate Bill 87. We believe everyone should have quality and affordable healthcare coverage. However, expanding access to limited plans offered through nonprofit agricultural organizations would not provide consumers with the coverage that they need to stay healthy and it threatens the stability of the individual marketplace.

The plans authorized under Senate Bill 87 would not be regulated as insurance and would not be required to cover people with pre-existing conditions. This would mean that enrolled members with chronic health conditions like cancer, diabetes or heart disease would not be able to get this coverage. Alternatively, these unregulated plans could choose to cover patients with pre-existing conditions but charge those patients a higher premium and not cover treatment for their pre-existing condition, discriminating against patients. Similarly, these new plans would not have to comply with requirements that limit out-of-pocket costs for patients. This could leave patients with cancer and other expensive illnesses with massive medical bills or force them to forgo needed treatment.

Moreover, we are concerned that the products authorized by Senate Bill 87 would be open to any individual, not just farmers, ranchers, or other agricultural workers. Because of the broad eligibility, any individual could become a member of the nonprofit agricultural organization and enroll in the plans offered by that organization. These plans will likely attract younger, healthier individuals, dividing the individual marketplace risk pool in South Dakota. This would result in increased prices on South Dakotans—like cancer survivors—who seek comprehensive coverage on the individual marketplace so they can affordably manage their complex health conditions.

Senate Bill 87 may seem like a good deal for South Dakotans who are satisfied with bare bones coverage at low cost, but it creates a health care environment of winners and losers, especially if these plans remain open to non-agricultural workers.

Thank you for your consideration of these concerns and our joint request.

Sincerely,

American Cancer Society Cancer Action Network
Leukemia & Lymphoma Society
Arthritis Foundation
National Multiple Sclerosis Society
The AIDS Institute
National Organization for Rare Disorders

Crohn's & Colitis Foundation
Epilepsy Foundation South Dakota
Hemophilia Federation of America
American Kidney Fund
American Heart Association