

January 5, 2018

To the Employee Benefits Security Administration Staff:

The regulation entitled “Definition of Employer-Small Business Health Plans RIN 1210-AB85” will add to the hardship I and my family feel in the form of yet additional premium increases. As a result of the Tax Bill which the president signed into law last year, our premiums went up over \$70 per month. These regulations will further increase that cost while potentially decreasing the benefits I and my family derive from health insurance.

This is because as a result of the proposed regulation, association health plans (AHP) will not have to provide the essential health benefits that fully ACA-compliant plans are mandated to provide. Further, these plans will be available to anyone—the definition of “employer” is that broad. A “common law employee” (i.e., a contractor) or a book club could purchase such a plan. This means that should a contractor purchase an AHP thinking to save money because they are healthy gets a diagnosis of a strep infection (one of the most common illnesses in the US) they may well find that endotracheal intubation is not covered by their insurance and they have to pay out of pocket. Why? Because an AHP does not have to cover essential health benefits. It could well cover aromatherapy alone and be, as far as this regulation is concerned, a perfectly legitimate plan.

At the same time as the hypothetical contractor is struggling to find the money for a pretty common procedure, my family and I will very non-hypothetically be paying still more for healthcare. This is because fewer (ostensibly) healthy people will have enrolled in our health plan and, to cover the costs of the (presumably) sicker pool, our health insurer will raise premiums. The brunt of course will be felt by our employer but our finances too will be greatly impacted. This negates the ostensible reason for this regulation which you say is “to expand access to affordable healthcare coverage.” Neither my employer nor I will find the health insurance that will result from this regulation affordable in the least.

I don’t blame you for not knowing this. This regulation moves oversight of these plans from the experts in health to experts in labor economics. As an example of why this move is dangerous, allow me to cite the proposed regulation itself. You acknowledge that this proposed rule may result in higher costs when you say “All else equal, individual markets may be more susceptible to risk selection than small group markets, as individuals’ costs generally vary more widely than small groups’.” However, you go on to state that “The ACA’s requirement that essentially all individuals acquire coverage and the provision of subsidies in Exchanges may reduce that susceptibility, however.”

Congress has just repealed the mandate on which your staff, unknowingly, is relying to offset my husband’s and my higher premiums as part of their Tax Plan which passed last year and was signed into law.

I therefore ask that you withdraw this regulation and that oversight of all health plans be once again lodged with the experts in health at the Health and Human Services Administration.

Thank you for your consideration of my comments. Please contact me if you have any questions at (916) 761-0402.

Sincerely,

Inna Tysoe