

# PUBLIC SUBMISSION

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**Docket:** EBSA-2018-0001

Definition of Employer Under Section 3(5) of ERISA-Association Health Plans

**Comment On:** EBSA-2018-0001-0001

Definition of Employer Under Section 3(5) of ERISA-Association Health Plans

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## Submitter Information

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## General Comment

Version 3:

I am writing today to express concerns about the proposed EBSA-2018-0001. My company currently obtains health coverage through an AHP. Association Health Plans offer small and medium sized businesses a way to offer comprehensive and affordable benefits to their employees. Being able to provide these benefits are crucial as it allows companies to compete for talent.

While the Departments proposed rule aims to expand AHPs, there are several provisions that will deteriorate markets where AHPs currently have been operating and provide an uneven marketplace that would ultimately discourage the successful expansion of AHPs.

The Department needs to ensure that the following is represented in the final rule:

- 1) Ensure that pre-existing conditions cant allow insurance companies to deny claims
- 2) Prevent fraud and abuse, that likely will arise if regulations are loosened around who can offer these products, by requiring only membership organizations that have

been in existence for at least 5 years to sponsor AHPs. Additionally, all such organizations should be required to have an active tax-exempt status.

3) Ensure that there is ample time for implementation (When there are regulatory changes, Insurance companies inflate prices due to unknowns), by making the effective date 2020 or later.

4) Allow for organizations to include, at their discretion, sole-proprietors or working owners (current regulations prohibit this)

5) HIPPA non-discrimination rules need to be in place that are favorable to small-businesses, including allowing rate setting at the employer-level using claims cost.