

February 28, 2018

Ms. Amy J. Turner
Director, Office of Health Plan Standards
Employee Benefits Security Administration
FP Building, Room N-5653
200 Constitution Avenue NW.
Washington, DC 20210

**Re: Employee Benefits Security Administration Proposed Rule (Docket ID
EBSA-2018-0001)**

Dear Ms. Turner:

The Pittsburgh Airport Area Chamber of Commerce, an organization representing the interests of businesses and organization of every size and sector in the area surrounding the Pittsburgh International Airport, is acutely concerned about improving the health insurance marketplace, especially for our small businesses. We thank you for the opportunity to comment on the EBSA's proposed rule regarding the Definition of Employer Under Section 3(5) of ERISA-Association Health Plans. The PAACC supports the EBSA's efforts to increase access to affordable health coverage by eliminating excessive limitations on the creation and maintenance of association health plans (AHPs).

Under the Affordable Care Act¹, small businesses have little buying power and few affordable options. The number of small firms offering health insurance for employees has declined substantially from 47 percent of establishments in 2000 to 29 percent in 2016². By joining together to create AHPs, small employers can realize greater bargaining power, economies of scale, and administrative efficiencies in providing healthcare insurance to employees. AHPs level the playing field and give small employers the advantages and choices in the health insurance marketplace enjoyed by larger employers.

I. The Benefits of Expanding the Definition of Employer

The expansion of the definition of employer under ERISA would allow businesses wishing to join a group health AHP in the Pittsburgh Airport Area significantly more flexibility in designing benefits and setting premiums.

A. EBSA Should Expand the Definition of Bona Fide Purpose

The proposed rule would allow for small businesses sharing a principal place of business in the Pittsburgh Area Airport to join together to offer an AHP that is treated as a group health plan under ERISA, reducing the barriers of access to affordable health care for many of the Chamber's small businesses.

¹ The Patient Protection and Affordable Care Act (Pub. L. 111-148)

² Agency for Healthcare Research and Quality, Center for Financing, Access, and Cost Trends. Medical Expenditure Panel Survey-Insurance Component, 2012-2016.

B. EBSA Should Require Organization Structure

The proposed rule would also provide sufficient protections against disingenuous organizations without the organization structure to act in the best interests of participating employers. The potential for fraudulent activity & insolvency in the health insurance marketplace is well documented³ and the Chamber supports the efforts of the Department of Labor to ensure AHP compliance with all federal reporting requirements.

C. EBSA Should Adopt the ‘Working Owners’ & ‘Dual Treatment’ Approach

The proposed rule would also allow for self-employed members of the Chamber to join the AHP. The regulatory burden falls heaviest of our self-employed and working owner members, so allowing them to both offer group coverage and qualify for group coverage would dramatically reduce the administrative costs that the current health plan regulations impose.

D. EBSA Should Enforce Nondiscrimination

The proposed rule would ensure that associations are not able to discriminate against membership based on health factors within groups of similarly situated individuals. Associations should not be able to engage in employer risk ratings, charging higher premiums to specific association members based on health status.

II. Response to EBSA’s Request for Information

The Department of Labor has the authority to exempt self-insured MEWA plans from state insurance regulation as a way of promoting consumer choice across state lines. We believe in the potential for such exemptions to promote healthcare consumer choice and competition.

III. Conclusion

More Americans would be insured under the proposed rule. The proposed rule levels the playing field for small businesses and self-employed workers interested in joining a group health benefit plan. The Chamber looks forward to the day when AHPs will be able to offer small businesses greater flexibility and affordability in their health insurance choices than are available to them in the individual and small group markets. As you can imagine the AHP model for payment of healthcare services for our small business community in the past was an enormous financial benefit for their bottom line expenses. We sincerely hope that adoption of this rule will be reinforced in a timely manner.

Respectfully,

Chris Heck

President/CEO Pittsburgh Airport Area Chamber of Commerce

³ U.S. Gov't Accountability Office, GAO-04-312, Employers and Individuals Are Vulnerable to Unauthorized or Bogus Entities Selling Coverage (2004)