



Where Creativity and Commerce Connect

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March 5, 2018

R. Alexander Acosta
Secretary of Labor
Department of Labor
200 Constitution Avenue
Washington D.C. 20210

RE: Association Health Plans Rule (RIN 1210-AB85)

Dear Mr. Acosta:

The Lynchburg Regional Business Alliance representing over +750 businesses in the Central Virginia region along with our statewide partner Virginia Benefits are pleased to submit comments on the Department of Labor's proposed rule (RIN 1210-AB85) issued on January 5, 2018. The Lynchburg Regional Business Alliance is the regional Chamber of Commerce as well as the center for economic development for the Lynchburg Region. As the foremost authority for all businesses, regardless of industry, within a given state, region, or locality, chambers of commerce are perfectly positioned to serve as conveners for a given geography. In addition, trade associations are well suited to serve as unifiers of like-industry businesses both regionally and nationally. Certainly, each is presently well positioned to serve as natural aggregators that can bring together the size, scale, and scope required to create and operate successful Association Health Plans.

The Lynchburg Regional Business Alliance, primarily consisting of small businesses, has made a firm commitment towards insuring that such members have the access to quality affordable health care. We would be honored to sponsor an Association Health Plan to our members and support the DOL Rule however; there are some concerns and questions that arise from the proposed regulations.

We offer the following comments with regard to the current ruling:

Association Health Plan Sponsors

We believe that there should be some minimum conditions or thresholds that a sponsor must meet before having authority to operate an Association Health Plan to include 1) it must be an existing association or chamber of commerce in business for a minimum number of years {suggest 5 years}; 2) the sponsoring association must be formed for purposes other than the offering of insurance. Additionally, some states currently have, or are in the process of creating, laws that allow for similar types of association or consortium plans. Would the authority under which these state-based plans are created be supplanted by newly formulated federal regulations?

Selling Across State Lines

The idea of allowing Association Health Plans to be sold across state lines is intriguing. As a potential cross-border sponsor, Virginia Benefits has concerns as to where final authority lies (federal, domiciled

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state, or serving state), and to whom consumers turn to for their protections when they believe that they have been wronged. For this reason, we recommend keeping authority within the domiciled state of the sponsoring association but streamline the availability coverage through a central clearing house.

For example, in the life and annuity industry, the Interstate Insurance Product Regulation Commission ("IIPRC") provides an incredibly valuable service by standardizing the filing and approval of all life, annuity, disability income and long term care products across 45 states by acting as a central point for product filings and approvals. Thus, when a product is approved, it meets the standards of all 45 states and is approved en masse. The result is one policy form and application that is applicable in all 45 states. While the IIPRC standardization is not the same as selling across state lines, it does eliminate many of the redundant efforts currently made by insurers and Departments of Insurance and reduces implementation times and costs. For this reason, we recommend that DOL and HHS work with the National Association of Insurance Commissioners (NAIC) and Departments of Insurance to encourage the implementation of the IIPRC model in the health insurance industry. This will not only create administrative savings that can be passed on to consumers, but will also create standardization of forms that work across state lines. This will benefit insureds and the Association Health Plans alike.

Title I of ERISA - Expanded Definitions

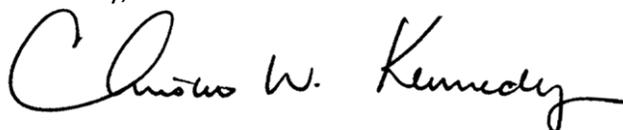
The membership rosters of most local chambers of commerce are approximately 80% small business. Many of these businesses are, in fact, micro businesses, sole proprietors, home-based businesses, or serial entrepreneurs. For this reason we fully support the DOL's proposal to: 1) permit working owners of an incorporated or unincorporated trade or business, including partners in a partnership, to elect to act as employers for purposes of participating in an employer group or association sponsoring a health plan; and 2) allow these working owners to be treated as employees with respect to a trade, business or partnership for purposes of being covered by the employer group's or association's health plan. In doing so, many more workers will be eligible for coverage through an AHP.

Exempt From PPACA Regulations

Association Health Plans must be exempt from the burdensome regulatory framework of the Patient Protection and Affordability Care Act including the minimum loss ratios and the offering of the Essential Health Benefits. Moreover, AHPs will best serve its participants if it can operate in a self-funded or self-insured model whereby it has full control to determine the level of risk it is willing to accept based on its own risk tolerance levels. Specifically, we recommend the use of medical underwriting, which allows insurers to appropriately price for the risk, and annual maximum benefits so that the covered service is defined, and the insurer is confident of its maximum risk liability.

Conclusively, we look forward to working with you and your Department as you seek to provide affordable quality healthcare to the American people. We look forward to your response to the questions raised so that we can better serve those within our region.

Sincerely,

A handwritten signature in black ink that reads "Christine W. Kennedy". The signature is written in a cursive, flowing style.

Christine Kennedy
COO & Executive Vice President