



Missouri Bankers Association  
**Voluntary Employees Beneficiary Association**

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March 6, 2018

**RIN 1210—AB85**

Office of Regulations and Interpretations  
Employee Benefits Security Administration  
U.S. Department of Labor  
Room N-5655  
200 Constitution Avenue NW  
Washington, DC 20210

**Attention: Definition of Employer – Small Business Health Plans RIN 1210-AB85**

Operating successfully for over 30 years, the Missouri Bankers Association Voluntary Employees' Beneficiary Association ("VEBA") is a self-funded multiple employer welfare arrangement ("MEWA") providing group health benefits to employees of member banks in Missouri. MBA VEBA is recognized as a tax-exempt organization under Internal Revenue Code Section 501(c)(9) and operates as an ERISA Exempt self-funded plan. This letter contains our perspective on the proposed regulations relating to Association Health Plans ("AHPs").

The MBA VEBA health plan currently includes 81 participating employers covering 3,384 members. Enrolled employers range in size from 6 to 200 employees and our average group size is 27 employees. The plan exists in a competitive group insurance marketplace where financial institutions are considered a preferred risk. With good member loyalty and high standards of customer service and value, the MBA VEBA Trust has achieved approximately 38% market share of the eligible member banks of the association. A variety of plan designs are offered to employers and all plans include minimum essential health benefits with minimum actuarial value in compliance with the Affordable Care Act (ACA).

While we appreciate DOL efforts to expand group health plan access to small employers and sole proprietors through AHPs, the proposed rule changes would directly threaten the ability of long established VEBA plans to effectively manage their risk and remain viable for their members. Our most pressing concerns relate to proposed non-discriminatory pricing rules, the lack of any exemption or transition for established VEBA plans and the confusion of conflicting federal and state compliance.

MBA VEBA asks the Department to modify the proposed rules relating to pricing components and non-discrimination by grandfathering or exempting established VEBA/MEWA plans sponsored by associations formed for reasons other than obtaining insurance. This would recognize these plans as historically established successful underwriters that already operate under the rules of ERISA, ACA, IRS, HIPAA and state MEWA regulation.



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MBA VEBA offers coverage to individual employees without regard to personal health status and has no limitations on pre-existing conditions. However, we regard individual employer rating attributes as the cornerstone of continued plan viability. Without the ability to appropriately rate each employer group, the favorable risk employer banks will be drawn relentlessly to the commercial group market and the spread of risk in the MBA VEBA Trust will deteriorate. This will start a spiral of increased costs followed by eventual plan failure. We ask the Department to recognize past history where the attempt to use flat community rating in multiple employer plans resulted in plan underwriting failures.

We believe very strongly that MBA VEBA's ability to offer affordable coverage to our members and to maintain financial integrity relies solely on the continued ability to individually rate each employer group within the Trust. To emphasize this, we also signed a joint comment letter with twelve other state banking association health benefit plans dated March 6 prepared by Randie Thompson, Esq.

Based on the historical success of MBA VEBA, we are asking the Department of Labor to avoid the imposition of regulations aimed at a totally different concept of association that will make it impossible for our established plan to survive. We respectfully ask the Department to preserve health plans provided by *bona fide* associations. No progress is made by reducing currently successful plans.

Thank you for the opportunity to express our concerns about the proposed rule, RIN 1210-AB85.

Sincerely,

A handwritten signature in black ink that reads 'John L. Hunt'.

John L. Hunt, CLU  
President  
MBA VEBA Insurance Services