



RETAILERS ASSOCIATION
OF MASSACHUSETTS

March 6, 2018

The Honorable R. Alexander Acosta
Secretary of Labor
Department of Labor
200 Constitution Avenue, NW
Washington, D.C. 20210

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RE: Definition of Employer-Small Business Health Plans RIN 1210-AB85

Dear Secretary Acosta,

The Retailers Association of Massachusetts (RAM) appreciates the opportunity to submit comments regarding proposed regulation, *RIN 1210-AB 2510 Definition of "Employer" under Section 3(5) of ERISA—Association Health Plans*. RAM wishes to voice strong support for these changes which would provide small businesses more flexibility to join together through association health plans to gain greater access to affordable health care for their employees and enable small businesses to experience the same cost savings available to larger employers under the ERISA Act.

Established in 1918, the Retailers Association of Massachusetts (RAM) is a statewide trade association of approximately 4,000 member companies. Our membership ranges from independent, "mom and pop" owned stores to larger, national chains operating in the general retail, restaurant and service sectors of the retail industry. The retail industry in the Commonwealth of Massachusetts is the backbone of our local Main Streets, supporting over 928,000 jobs and operating in more than 73,000 brick-and-mortar establishments.

RAM is a leading employer organization advocate for equitable and affordable health insurance coverage for small businesses both in-state and at the federal level. RAM has endorsed the Small Business Health Fairness Act (HR1101) passed in the House this past year, and, on behalf of the National Retail Federation, testified in support of that bill before the House Education and Workforce Committee last March. RAM has long supported the employer group concept underlying the Association Health Plan (AHP) model and believes it is an important part of the solution in addressing the disparate impact on affordability experienced by small employers under the universal healthcare law.

In Massachusetts, the employer group concept has taken the form of state authorized small business group purchasing cooperatives (GPC) which allow pre-

existing organizations to group together their individual and small employer members for the purpose of securing health benefit plans for them. RAM not only served as the lead advocate for the creation of GPCs as part of the Massachusetts healthcare cost containment law passed in 2010¹, but is currently also the longest standing and largest GPC operating in Massachusetts. RAM's experience supports our belief that allowing small businesses to band together for the provision of employee benefits provides an important opportunity for small businesses in Massachusetts and serves as an excellent example of how such a model could prove successful at a national level.

RAM believes national success depends heavily on the adoption of strong eligibility requirements akin to those included in the proposed regulations which require interested groups to have a clearly-defined organizational structure and which are controlled by those employer members who stand to actually receive the offered benefits. RAM also supports the adoption of further eligibility rules requiring that the group be in existence for a reasonable duration of time before pursuing an AHP and that the group be established for reasons beyond just providing health benefit plans to its members. Adopting greater barriers to entry not only protects the integrity of AHP's by safeguarding against bad actors, but also fosters future success by ensuring that organizations gaining entry are those that have a proven track record indicative of their belief in the concept and in making it successful.

RAM appreciates the efforts undertaken to date in preparing these proposed regulations and would like to thank you in advance for your consideration of these comments. RAM stands ready to address any questions that may arise from these comments.

Sincerely,



Jon B. Hurst
President

¹ <https://malegislature.gov/Laws/SessionLaws/Acts/2010/Chapter288>