

SUPPORT SMALL BUSINESS PARTICIPATION IN AHPs

In June of 2018, the U.S. Department of Labor published a Final Rule creating a new pathway for small businesses to participate in Association Health Plans (AHPs). However, Maryland prohibits small businesses from pooling their employees thereby excluding their participation in AHPs. This law must be changed now.

When small businesses are able to pool their employees with other businesses and owners, they are able to spread the risk across a larger number of lives insured, resulting in lower premiums and providing access to better plans.

More people will be able to get health coverage through AHPs under the Final Rule, including:

- Small business owners
- Employees of small businesses
- Family members of working owners/employees
- Working owners without employees, including sole proprietors

AHPs have many possible benefits:

- More coverage options
- More affordable pricing
- Enhanced ability to self-insure
- Less regulatory burden and complexity
- Reduced administrative costs

Association Health Plans (AHPs) are group health plans that employer groups and associations offer to provide health coverage for their members' employees. They allow small employers, through associations, to gain regulatory and economic advantages available to large employers.

Can AHPs cherry pick plan participants or discriminate based on health factors?

- No. AHPs cannot cherry pick or discriminate based on health or prior conditions.
- The rule includes important safeguards. Consumer protections and healthcare anti-discrimination protections apply to large businesses and will also apply to AHPs organized under this rule.

Can AHPs vary premiums based on health factors?

- No. AHPs will not be able to charge different premiums to employees based on their health status.
- Additionally, AHPs under this rule will not be able to charge employers different rates based on the health status of their employees.
- The rule includes important safeguards. Consumer protections and healthcare anti-discrimination protections apply to large businesses and will also apply to AHPs organized under this rule.

The Final Rule's effects – by the numbers:

- Fifteen million Americans who work for a small business or operate a sole proprietorship, and their families, lack health coverage.
- Four million Americans, including 400,000 who otherwise would lack insurance, will join an AHP by 2023, according to Congressional Budget Office estimates.

States Where Chambers of Commerce and Associations Are Already Offering AHPs:

Georgia, Kentucky, Michigan, Montana, Nebraska, Nevada, Oklahoma, Oregon, Texas, Vermont, West Virginia, Wisconsin

**** Consumer protections and healthcare anti-discrimination protections will continue to apply to large businesses and will also apply to AHPs organized under the Final Rule.**

**** The Department of Labor will continue to partner with states to protect consumers.**