

PRESIDENT DONALD J. TRUMP IS EXPANDING ACCESS TO QUALITY AND AFFORDABLE HEALTHCARE COVERAGE THROUGH ASSOCIATION HEALTH PLANS

“We aim to allow more small businesses to form associations to buy affordable and competitive health insurance.” – President Donald J. Trump

EXPANDING ASSOCIATION HEALTH PLANS: The Trump Administration is expanding access to quality, affordable coverage by allowing more employers to form Association Health Plans.

- The Department of Labor has finalized a rule that will enable more employers to form Association Health Plans (AHPs), also known as Small Business Health Plans.
 - In October 2017, President Donald J. Trump directed the Department of Labor to consider allowing more employers to form AHPs.
- Employers will be able to form AHPs by city, county, State, or multi-state metropolitan areas.
 - For example, city chambers of commerce will now be able to offer health insurance to their employer members for all their employees.
- Employers may continue to form nationwide AHPs for businesses in their specific industry.
 - This means nationwide industry associations will be able to offer health insurance for all the employees of all their member businesses.
- Working small business owners without other employees, including sole proprietors and their families, will now be able to join AHPs.
- The rule allows AHPs to form under either the old rules or the new rules – whichever pathway works best for the employer.

AFFORDABLE OPTIONS FOR SMALL BUSINESSES: The Department of Labor’s expansion of Association Health Plans will provide small businesses with more affordable coverage options.

- As a result of Obamacare, small business owners have increasingly struggled to find affordable health insurance options for their employees and their employees’ families.
 - Fifteen million Americans who work for a small business, operate a sole proprietorship, or have family members that do, lack health insurance.
 - For firms that employ between 3 and 49 workers, the number of workers covered by employer health benefits fell by about 25% between 2010 and 2017.
 - Obamacare exchanges are often unaffordable for small businesses and sole proprietors.
 - Current exchange enrollment is 60% below what the Congressional Budget Office expected when the law took effect, as premiums and deductibles have soared.
- Obamacare has subjected small businesses to more costly rules than larger businesses.
 - For example, small businesses are subject to Obamacare’s benefit mandates, but large businesses are not.
- AHPs offer a more affordable option for small businesses by enabling them to band together and be regulated like a large employer when they buy insurance.
 - Businesses using AHPs will benefit from reduced administrative costs, strengthened negotiating power with providers, economies of scale, and larger risk pools.

PROTECTING CONSUMERS: The Department of Labor rule maintains key consumer safeguards.

- Consumer protections will continue to apply to large businesses and will also apply to AHPs.
 - For example, AHPs cannot deny coverage or charge higher premiums to people with a pre-existing health condition or cancel coverage because an employee becomes ill.
- The Department of Labor is partnering with state insurance commissioners, who continue to have jurisdiction to prevent and prosecute fraud.