



Association Health Plans Enable Small Businesses to Provide Employee Coverage

Smaller employers face significant challenges in negotiating high-quality health care at costs that they and their employees can afford.

Small enterprises are often constrained by their financial resources, subject to higher premiums, and because of their size, limited in the types of health care plans to which they have access through the small group health insurance market. In a 2015 survey, 72% of NAHB members saw premium increases of over 10% in 2014, including 8% who reported more than a 50% increase.

While small businesses are not subject to the employer mandate to offer insurance, many of NAHB's members want to offer health benefits to their workers and their families. Association health plans (AHPs) enable affiliated small businesses to pool their employees into a single group in order to secure greater purchasing power for high quality, affordable health benefits equal to those that are already available to larger companies and labor unions.

Currently, only some states allow employers to band together in AHPs, and regulations vary greatly among those states. Moreover, the barriers to establishing and operating an AHP are high, even in states that allow them.

On March 22, the House of Representatives voted 236 to 175 to advance H.R. 1101, the Small Business Health Fairness Act of 2017, sponsored by Representatives Sam Johnson (R-Texas) and Tim Walberg (R-Mich.). The bill expands the ability of small businesses to join together locally, across state lines, or even nationwide through a bona fide industry, professional, or trade association – like NAHB – to become large purchasers of health insurance.

The bill grants AHPs the flexibility to fully-insure with plans purchased from a commercial insurance carrier or self-insure where the AHP funds and designs the benefit plan itself. Importantly, the bill also includes an amendment that preserves the ability of existing AHPs run by home builders associations to continue operating under current state and federal laws without disruption. H.R. 1101 now awaits consideration by the Senate.

TAKE ACTION

Congress:

Take up the House-passed bill or advance similar legislation expanding small business access to association health plans.

NAHB Government Affairs Contact:

Alexis Moch

Federal Legislative Director

(202) 266-8407

Email: amoch@nahb.org

