



Testimony Offered on Behalf of:
THE GREATER OCEAN CITY CHAMBER OF COMMERCE

IN SUPPORT WITH AMENDMENTS OF:
HB 901 – Health Insurance – Policy of Group Health Insurance – Associations

House Health and Government Operations Committee
In the House – Hearing 2/13/2020 at 1:00 PM

The Greater Ocean City Chamber of Commerce (GOCCC) **SUPPORTS WITH AMENDMENTS HB 901 - Health Insurance - Policy of Group Health Insurance – Associations.**

The Chamber, representing over 900 business members, encourages oversight by the Maryland Insurance Administration (MIA) affording a higher level of accountability, hope for quality plans that meet the requirements of the ACA and the State, and plan to work with in-state insurance providers.

This legislation could potentially save our small businesses thousands of dollars and provide health insurance to hundreds of Marylanders and Worcester county residents.

By allowing Chambers of Commerce to create eligible Association Health Plans (AHPs) as defined by the U.S. Department of Labor (DOL), small businesses, owners and their employees will have access to better plans for lower rates. Since the publishing of the U.S. DOL's final rule in June 2018, dozens of Chambers of Commerce across the country have begun offering AHP plans and thousands of businesses are saving 20% - 45% on their health insurance premiums. As an example, the Las Vegas Metro Chamber has more than 600 small businesses participating in their AHP saving an average of 46% on their insurance premiums.

In a recent survey we conducted, 100% of the respondents said that they would participate in our AHP if they were made available. A few comments regarding this potential opportunity included:

- I currently do not have health insurance as a self-employed small business it is not affordable to me. I would love the option to participate in a pool that can negotiate better rates. I also cannot provide insurance to my employees and I know they would be interested in this option.
- Our personal health care costs are going to drive us out of business, so this would be fantastic.
- With all the mounting business regulation, this would be a fantastic way to still offer benefits to my employees in an affordable way versus cutting benefits to avoid going out of business.

AHPs are group health plans that employer groups and associations offer to provide health coverage for their members' employees. They allow small employers to pool their employees to gain regulatory and economic advantages available to larger employers. **THESE ARE NOT SELF-INSURED PLANS.** The plan is provided and administered by an insurance carrier such as United Healthcare, Blue Cross/Blue Shield or Aetna. The attached one-pager and FAQs provide detailed information.

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Under Maryland's current law, small businesses are not allowed to pool their employees. HB 901 changes the law for pooled employees in an AHP to be rated as a large group. The bill also allows for Chambers of Commerce and labor unions to offer AHPs to their members.

AHPs are not allowed to cherry pick or discriminate based on health or prior conditions, and the plans must include all the benefits mandated by the federal government and by the State of Maryland. Important safeguards, consumer protections and healthcare antidiscrimination protections are in place.

With the costs of doing business continually rising in Maryland, Association Health Plans could significantly improve the bottom line for many small employers, their employees and sole proprietors in the State. AHPs will also help more Marylanders access health insurance. An estimated 15 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 (CBO) estimates.

In my 13 years at the Ocean City Chamber, I have had employers every year approach me about this potential option for their employees. Please support small businesses and their employees.

The Ocean City Chamber of Commerce respectfully requests a **FAVORABLE REPORT WITH AMENDMENTS on HB 901.**

Please feel free to contact me with any questions.

Sincerely,

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