



Testimony offered on behalf of:  
THE GARRETT COUNTY CHAMBER OF COMMERCE

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IN SUPPORT WITH AMENDMENTS FOR:  
SB 527 – Health Insurance – Policy of Group Health Insurance - Associations

Finance Committee  
February 19, 2020

On behalf of the Garrett County Chamber of Commerce, representing 600 member organizations in Western Maryland, I write to express our support with amendments for **SB 527 – Health Insurance – Policy of Group Health Insurance - Associations**. The bill should be amended to ensure oversight by the Commissioner of the Maryland Insurance Administration (MIA) and to allow small employers to be grouped together for the purpose of rating them as a large group.

Association Health Plans (AHPs) are group health plans that chambers of commerce 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.

Small businesses want to provide good benefits to their employees, including affordable quality healthcare. However, the cost for health insurance for a small business is often too expensive and cost prohibitive. Currently, Maryland does not allow for the creation of AHPs thereby putting our small businesses at a disadvantage, unable to access quality affordable health plans like large businesses.

Passing an amended version of HB 901 could radically improve the situation the healthcare situation in Maryland. This legislation could potentially save our small businesses thousands of dollars and provide health insurance to hundreds of Marylanders. HB 901 would basically allow small businesses to pool their employees through a chamber of commerce or association like a buying cooperative which would spread the risk over many people instead of the few of one business. By allowing the pool to be rated as a large group, these small businesses would have access to rich health insurance plans at affordable rates like a large business with hundreds of employees. The plans are known as Association Health Plans (AHPs).

THESE ARE NOT SELF-INSURED PLANS. The plan is provided and administered by an in-state insurance carrier such as United Healthcare, Kaiser Permanente, Blue Cross/Blue Shield or Aetna with oversight by the MIA Commissioner for eligibility and accountability.





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

The Garrett County Chamber estimates about 500 business members would have NEW access to affordable health insurance if we were allowed to offer an Association Health Plan. Under Maryland's

current law, small businesses are not allowed to pool their employees to be rated as a large group. We need to change the law so that Maryland small businesses can have access to affordable health insurance options, the same as businesses in other states across the country.

With the costs of doing business continually rising in Maryland, Association Health Plans could significantly improve the bottom line for many small employers and their employees. 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 Estimates.

Please help Marylanders access affordable health insurance by **amending SB 527 and giving it a FAVORABLE REPORT.**

Sincerely,

*Nicole Christian, SON, CE*

President & CEO

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