

RMC_FAV_SB527

Uploaded by: Clevenger, Amanda

Position: FAV



John Hartline, Chair

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Charlotte Davis, Executive Director

POSITION STATEMENT

Senate Bill 527- Health Insurance – Policy of Group Health Insurance – Associations
Finance Committee
February 19, 2020

The Rural Maryland Council **SUPPORTS** Senate Bill 527 – Health Insurance – Policy of Group Health Insurance - Associations. This bill clarifies in the current law that chambers of commerce may be considered an “association” and therefore eligible to offer insurance to small businesses.

A chamber of commerce’s mission is to create an environment in which businesses in the community can prosper. They are a type of business network; whose goal is to further the interests of businesses and advocate on behalf of their community. There are 57 chambers of commerce in Maryland. These chambers have long recognized the value of employee benefits and the difficulties smaller employers face accessing quality, affordable health care coverage. This bill would allow a chamber of commerce, to be an “association” and therefore the opportunity to provide affordable, competitive, secure benefits to employees of small businesses in their community.

The Rural Maryland Council respectfully requests your favorable support of SB 527.

The Rural Maryland Council (RMC) brings together citizens, community-based organizations, federal, state, county and municipal government officials as well as representatives of the for-profit and nonprofit sectors to collectively address the needs of Rural Maryland communities. We provide a venue for members of agriculture and natural resource-based industries, health care facilities, educational institutions, economic and community development organizations, for-profit and nonprofit corporations, and government agencies to cross traditional boundaries, share information, and address in a more holistic way the special needs and opportunities in Rural Maryland.

“A Collective Voice for Rural Maryland”

MBIA SB 527 FAV

Uploaded by: Graf, Lori

Position: FAV

February 19, 2020

The Honorable Delores G. Kelley
Chair, Finance Committee
Miller Senate Office Building, 3E
11 Bladen Street
Annapolis, MD 21401

RE: Support of Senate Bill 527 (Health Insurance - Policy of Group Health Insurance - Associations)

Dear Chairwoman Kelley:

The Maryland Building Industry Association, representing 100,000 employees of the building industry across the State of Maryland, supports Senate Bill 527 (Health Insurance - Policy of Group Health Insurance - Associations).

This measure allows associations and professional employer organizations to provide health benefit plans. This is very beneficial to membership associations – not only would associations like MBIA be able to provide more benefits and value to its members, but the increased availability of health insurance plans would hopefully inspire competitive pricing and reduce the cost of health care for Maryland residents.

For these reasons, MBIA respectfully requests the Committee give this measure a favorable report. Thank you for your consideration.

For more information about this position, please contact Lori Graf at 410-800-7327 or lgraf@marylandbuilders.org.

cc: Senate Finance Committee Members

Testimony SB527

Uploaded by: Senator Edwards, Senator Edwards

Position: FAV



ROCKVILLE
CHAMBER OF COMMERCE

Focused
On Rockville
& Its Community

Testimony offered on behalf of:
THE ROCKVILLE CHAMBER OF COMMERCE

IN SUPPORT OF
SB 527– Health Insurance – Policy of Group Health Insurance - Associations

Senate Finance
February 19, 2020

On behalf of the Rockville Chamber of Commerce, representing 400 members, I write to express our support with amendments for **SB 527 – Health Insurance – Policy of Group Health Insurance - Associations**.

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 SB 527 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. It 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 Rockville Chamber of Commerce estimates about 300 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. I came from Vermont, where we offered ASP. The businesses benefitted by the savings, the Chambers of Commerce's benefitted by attracting new members (as a member benefit) and it was a win/win for all!

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 giving **it a FAVORABLE REPORT.**

Sincerely,

Marji Graf,
President & CEO
Rockville Chamber of Commerce
301-424-9300

SalisburyChamber_FWA_SB0527

Uploaded by: Chambers, Bill

Position: FWA



**SALISBURY AREA
CHAMBER OF
COMMERCE**

144 EAST MAIN ST.

P.O. Box 510

*SALISBURY
MARYLAND
21803-0510*

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410-749-0144*

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410-860-9925*

*ACCREDITED BY
THE CHAMBER OF
COMMERCE OF THE
UNITED STATES
SINCE 1966*

February 18, 2020

Senator Delores G. Kelley
Chair, Senate Finance Committee
3 East, Miller Office Building
Annapolis, MD 21401

Dear Senator Kelley,

On behalf of the seven-hundred businesses and organizations representing more than fifty-thousand employees, we are requesting a favorable report on Senate Bill 527, Policy of Group Health Insurance-Associations with amendments. The Chamber supports oversight by the Maryland Insurance Administration (MIA) affording more precise accountability, hope for new quality plans that also meet the requirements of the ACA and the State, and plan to work with all in-state insurance providers. This legislation is a small business lifeline and will save small businesses significant dollars while providing a health plan to countless Marylanders and lower shore residents.

Under Maryland's current law, small businesses are not permitted to pool their employees. SB 527 changes that law for pooled employees in an AHP to be rated as a large group. This Bill also allows for Chambers of Commerce and labor unions to offer AHP's to their members.

On a consistent basis, lower shore employers ask this Chamber to find ways to offer their employees some sort of affordable health coverage. SB 527 will open the door to that reality. The Salisbury Area Chamber of Commerce requests a favorable report on SB 527.

Sincerely,

William Chambers
President / CEO
Salisbury Area Chamber of Commerce
144 East Main Street
Salisbury, Maryland 21801
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FAX 410-860-9925
www.salisburyarea.com

WashCtyChamber_FWA_SB0527

Uploaded by: Frey, Paul

Position: FWA

February 7, 2020

The Honorable Senator Delores G. Kelley
Chair, Finance Committee
3 East Miller Senate Office Building
11 Bladen Street
Annapolis, MD 21401

Finance Committee, SB527, February 19, 2020, 1 pm

Dear Chair Kelley and Members of the Committee:

The Washington County Chamber of Commerce, representing 575 businesses and 40,000 employees, requests your support of SB 527, **Health Insurance - Policy of Group Health Insurance - Associations**. This legislation could potentially save our small businesses thousands of dollars and provide health insurance to thousands of Marylanders. The Washington County Chamber estimates that we would have 1000 businesses representing 52,000 employees if we were allowed to offer an Association Health Plan.

By allowing chambers of commerce and labor unions 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 – 40 percent 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 44 percent on their insurance premiums.

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.

Under Maryland's current law, small businesses are not allowed to pool their employees. SB 527 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 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.

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 Estimates.

Please support small businesses and their employees by giving a FAVORABLE report to SB527, **Health Insurance - Policy of Group Health Insurance - Associations.**

Sincerely,

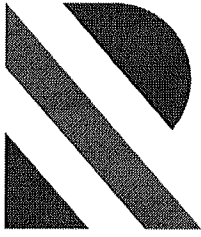
A handwritten signature in cursive script that reads "Paul Frey".

Paul Frey, IOM
President & CEO

RockvilleChamber_FWA_SB0527

Uploaded by: Graf, Marji

Position: FWA



ROCKVILLE
CHAMBER OF COMMERCE

Focused
On Rockville
& Its Community

Testimony offered on behalf of:
THE ROCKVILLE CHAMBER OF COMMERCE

IN SUPPORT OF
SB 527– Health Insurance – Policy of Group Health Insurance - Associations

Senate Finance
February 19, 2020

On behalf of the Rockville Chamber of Commerce, representing 400 members, I write to express our support with amendments for **SB 527 – Health Insurance – Policy of Group Health Insurance - Associations**.

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 SB 527 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. It 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 Rockville Chamber of Commerce estimates about 300 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. I came from Vermont, where we offered ASP. The businesses benefitted by the savings, the Chambers of Commerce's benefitted by attracting new members (as a member benefit) and it was a win/win for all!

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 giving it a FAVORABLE REPORT.

Sincerely,

Marji Graf,
President & CEO
Rockville Chamber of Commerce
301-424-9300

GreaterBethesdaChamber_FAV_SB527

Uploaded by: Italiano, Ginanne

Position: FWA



THE GREATER BETHESDA
CHAMBER of COMMERCE

Smart Business, Bright Future

Ginanne M. Italiano, IOM, President & CEO
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SB527- HEALTH INSURANCE - POLICY OF GROUP HEALTH INSURANCE - ASSOCIATIONS

TESTIMONY BY

GINANNE M. ITALIANO, PRESIDENT, THE GREATER BETHESDA CHAMBER OF COMMERCE

BEFORE THE SENATE FINANCE COMMITTEE

February 19, 2020

POSITION: FAVORABLE WITH AMENDMENTS

On behalf of The Greater Bethesda Chamber of Commerce, this statement is in **SUPPORT of SB527-Health Insurance – Policy of Group Health Insurance-Associations**. This bill would allow chambers of commerce and labor unions to create eligible Association Health Plans as defined by the U.S. Department of Labor, enabling small businesses, owners and their employees to have access to better plans at lower rates.

My testimony today is twofold: first as the President of The Greater Bethesda Chamber of Commerce and our more than 550 member businesses and their 45,000 employees; and second, as president of a small employer doing business in Montgomery County and the State of Maryland.

On the back side of this testimony is a statement provided by the five largest chambers of commerce in Montgomery County in support of SB527. We believe that by enabling chambers and unions to provide their members the option for participating in association health plans, more businesses will be able to thrive and grow knowing that their employees are provided good affordable health care.

We are not looking for simplified or mandate-lite health insurance through AHP's but rather we would like to provide the employees of our members comprehensive health insurance plans that have competitive rates. The best way to do this is through AHP's.

Over the past decade our members have experienced first-hand the increasing costs of doing business in Maryland. This is partially due to numerous mandates imposed upon them, including sick leave, increased minimum wage, mandated health care and numerous tax increases. Given the large number of tax related bills that have been introduced this session, we realize that costs of business will continue to rise. We know that some of you have your own businesses and understand the problems our members face especially in trying to keep and help our employees deal with the increased costs of healthcare – and especially those who are over 40 years old.

Passage of this bill will not only help small employers that are struggling to stay in business, but will also send the message to those companies considering opening a new business or expanding here that the State of Maryland is business friendly and understanding of the issues small businesses face.

For these reasons, we request a **favorable report on SB0527**. Thank you.



**JOINT STATEMENT REGARDING
SB0527/HB0901 Health Insurance – Policy of Group Health Insurance - Associations
Position: Favorable
February 2020**

We respectfully submit this joint letter to ask you to **support SB0527/HB0901 entitled - Health Insurance - Policy of Group Health Insurance – Associations**. This legislation could potentially save our small businesses thousands of dollars and provide health insurance to hundreds of Marylanders.

Association Health Plans (AHPs) are group health plans that associations offer to provide employee 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.

Although allowed by the federal government, Maryland’s current law does not allow small businesses to pool their employees. SB0527/HB0901 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.

By allowing chambers of commerce and labor unions 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, numerous chambers of commerce across the country have begun offering AHP plans and thousands of businesses are saving 20%-45% on their health insurance premiums.

Please consider the direct positive impact this legislation would have on our small businesses and their employees and give a FAVORABLE report on SB0527/HB0901. We look forward to working with you on this and other upcoming legislation that impacts our health of our workforce and our economy.

Thank you for your consideration.

Sincerely,

Ginanne Italiano
President and CEO
The Greater Bethesda Chamber of Commerce

Marilyn Balcombe
President and CEO
Gaithersburg-Germantown Chamber of Commerce

Marji Graf
President and CEO
Rockville Chamber of Commerce

Jane Redicker
President and CEO
Greater Silver Spring Chamber of Commerce

Georgette “Gigi” Godwin
President and CEO
Montgomery County Chamber of Commerce

GarrettChamber_FWA_SB0527

Uploaded by: Lane, Holly

Position: FWA



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

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

Garrett County Chamber of Commerce, Inc.

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nicole@garrettchamber.com



nicole@garrettchamber.com

OCChamber_FWA_SB0527

Uploaded by: Pursel, Melanie

Position: FWA



The Greater Ocean City, Maryland
Chamber of Commerce, Inc.

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

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

Senate Finance Committee
In the Senate – Hearing 2/19/2020 at 1:00 PM

The Greater Ocean City Chamber of Commerce (GOCCC) **SUPPORTS WITH AMENDMENTS SB 527 - 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 country 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.

Eunice Q. Sorin Visitor & Conference Center

12320 Ocean Gateway, Ocean City, Maryland 21842 • 410-213-0144 • Fax 410-213-7521

www.oceancity.org • info@oceancity.org

2/19/2020

SB 527

Under Maryland's current law, small businesses are not allowed to pool their employees. SB 527 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 527.**

Please feel free to contact me with any questions.

Sincerely,

Melanie Pursel
President & CEO
410-213-0144, Ext. 102
melanie@oceancity.org

HEAU_UNF_SB0527

Uploaded by: O'Connor, Patricia

Position: UNF

BRIAN E. FROSH
Attorney General

WILLIAM D. GRUHN
Chief
Consumer Protection Division

ELIZABETH F. HARRIS
Chief Deputy Attorney General

CAROLYN QUATTROCKI
Deputy Attorney General

Writer's Direct Fax No.
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poconnor@oag.state.md.us



STATE OF MARYLAND
OFFICE OF THE ATTORNEY GENERAL
CONSUMER PROTECTION DIVISION

Writer's Direct Dial No.
(410) 576-6515

February 19, 2020

To: The Honorable Delores G. Kelley
Chair, Finance Committee

From: Patricia F. O'Connor, Health Education and Advocacy Unit

Re: Senate Bill 527 (Health Insurance - Policy of Group Health Insurance - Associations):
Oppose

The Office of the Attorney General's Health Education and Advocacy Unit (HEAU) submits the following written testimony in opposition to Senate Bill 527. This bill would remove from the definition of a health benefit plan under Section 11-601 of the Insurance Article "a certificate of health insurance issued or delivered to a Maryland resident under a contract issued to an association located in the State or any other state." This would prevent the Commissioner from regulating out-of-state Association Health Plans (AHPs) that issue certificates to Marylanders. Thus, the Commissioner would not be able to ensure that consumers who participate in these out-of-state AHPs will have the same benefits and protections that Maryland law provides for the small group market. Also, the Commissioner would not be able to review the rates for such plans and determine if the rates are adequate.

The bill would also allow a chamber of commerce to purchase a group policy allowing formerly unrelated employers to band together to purchase AHPs.

AHPs have a long and notorious history of fraud, mismanagement, and deception. Over decades, Congress has legislated – including through ERISA and the ACA – to protect health care consumers from this fraudulent conduct. While the federal government has relaxed the rules pertaining to AHPs – rules that our Office is currently challenging in *New York, et al v. U.S. Department of Labor* (on appeal, United States Court of Appeals for the District of Columbia Circuit) - regulation of the new plans has been left for the most part with the states, which is good for consumers. We oppose the bill because it would remove AHPs from significant regulatory oversight by the Commissioner and would weaken the small group market to the likely detriment of consumers.

We urge an unfavorable report on the bill.

Kaiser Permanente_UNF_SB 527

Uploaded by: Taylor, Allison

Position: UNF



Mid-Atlantic Permanente Medical Group, P.C.
Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc
2101 East Jefferson Street
Rockville, Maryland 20852

February 19, 2020

The Honorable Delores G. Kelley
Senate Finance Committee
3 East, Miller Senate Office Building
11 Bladen Street
Annapolis, Maryland 21401

RE: SB 527 – Oppose

Dear Chair Kelley and Members of the Committee:

Kaiser Permanente appreciates the opportunity to comment on SB 527, Health Insurance - Policy of Group Health Insurance - Associations. KP must respectfully oppose SB 527 for the reasons described below.

Kaiser Permanente is the largest private integrated health care delivery system in the United States, delivering health care to over 12 million members in eight states and the District of Columbia.¹ Kaiser Permanente of the Mid-Atlantic States, which operates in Maryland, provides and coordinates complete health care services for approximately 755,000 members. In Maryland, we deliver care to over 430,000 members.

SB 527 will increase the availability of association health plans beyond what is currently allowed in Maryland by expanding the universe of individuals and groups that are permitted to participate in them. Kaiser Permanente believes it is critically important that consumers enroll in coverage that is comprehensive, easily understood, and affordable. We support policies that strengthen Maryland's individual and small group markets. We are concerned that SB 527 will draw individuals (the self-employed) and small groups (newly able to band together and participate in the large group market) away from the existing individual and small group markets, destabilizing those markets.

Kaiser Permanente believes Maryland policy should discourage splitting markets up in this way, which creates risk selection opportunities. As association health plans may draw younger and healthier people away from the individual and small group markets, health insurance premiums for comprehensive coverage will increase. The destabilization of these markets will have a harmful impact on middle-class consumers seeking comprehensive coverage.

¹ Kaiser Permanente comprises Kaiser Foundation Health Plan, Inc., the nation's largest not-for-profit health plan, and its health plan subsidiaries outside California and Hawaii; the not-for-profit Kaiser Foundation Hospitals, which operates 39 hospitals and over 650 other clinical facilities; and the Permanente Medical Groups, self-governed physician group practices that exclusively contract with Kaiser Foundation Health Plan and its health plan subsidiaries to meet the health needs of Kaiser Permanente's members.

The Affordable Care Act (ACA) provides extremely broad access to coverage. Open enrollment gives everyone an opportunity to select a plan, with choices from bronze to catastrophic. By supporting and encouraging enrollment in the ACA individual and small group markets, Maryland will give self-employed individuals and small employers very good choices for care. We believe the greater availability of association health plans would detract from the ACA markets.

We are also concerned that SB 527 would remove from the definition of “health benefit plan” in section 11-601 of the Insurance Article “a certificate of health insurance issued or delivered to a Maryland resident under a contract issued to an association located in the State or any other state.” This change would prevent the Insurance Commissioner from regulating out-of-state association plans that issue certificates to Marylanders. This means that the Commissioner would not be able to ensure that consumers who participate in these plans will have the same protections that Maryland law provides for the small group market, and would not be able to review the rates for such plans and determine if they are adequate.

Thank you for the opportunity to comment. Please feel free to contact Wayne Wilson at Wayne.D.Wilson@kp.org or (301) 816-5991 with questions.

Sincerely,

Wayne D. Wilson
Vice President, Government Programs and External Relations
Kaiser Foundation Health Plan of Mid-Atlantic States, Inc.

MHBE_INFO_SB527

Uploaded by: Eberle, Michele

Position: INFO



February 19, 2020

The Honorable Delores G. Kelley
Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, MD 21401

Re: Letter of Information – Senate Bill 527 – Health Insurance – Policy of Group Health Insurance – Associations

Dear Chair Kelley,

The Maryland Health Benefit Exchange (MHBE) respectfully submits this letter of information on Senate Bill (SB) 527 – Health Insurance – Policy of Group Health Insurance – Associations. SB 527 would allow a chamber of commerce to apply for group health insurance by altering the definition of “association” to include a labor union or a chamber of commerce. MHBE believes that this legislation may draw small businesses away from participating in the small group market in Maryland, and into association health plans that offer fewer state protections.

In 2019, the MHBE formed the SHOP Advisory Policy Sub-Committee (SHAC) to provide a forum for MHBE to engage with industry partners and stakeholders to discuss on matters related to the MHBE SHOP. The SHAC consisted various stakeholders including representatives from the Chambers of Commerce. During these meetings, MHBE discussed further efforts to expand the SHOP program, including a new plan shopping portal, considerations when developing a subsidy program for SHOP, and a preferred broker program. In addition, last Session (2019) HB 1098 authorized MHBE to submit a 1332 Waiver to allow the State to administer the federal small business healthcare tax credit subsidy to small business for month premium payments. This Session (2020) MHBE is supporting two pieces of legislation geared towards the creation of a SHOP subsidy program, as well as increased funding for the program.

MHBE has worked diligently to address the Chamber’s concerns surrounding SHOP, and hopes to continue conversations as it works to implement the new improvements. This legislation could counteract the effect of these improvements, such as a small business subsidy program, by driving adverse selection and increasing rates in the small group market. Maryland Insurance Administration (MIA) advises that the bill’s intention to repeal the Commissioner’s authority to regulate out-of-state association health plans that issue certificates to Maryland residents could lead to the purchasing of plans that do not provide the same benefits mandated in Maryland. Furthermore, the rates for such plans will not be subject to review by the Commissioner to ensure that the plans are not excessive, inadequate, or unfairly discriminatory.

MHBE staff can be made available to provide additional technical assistance on the implications of SB 527. For further discussions or questions please contact Johanna Fabian-Marks, Director of Policy and Plan Management at johanna.fabian-marks@maryland.gov.

Sincerely,

A handwritten signature in black ink that reads "Michele Eberle".

Michele Eberle
Executive Director

SB527_LOI_MIA

Uploaded by: Paddy, Michael

Position: INFO

LARRY HOGAN
Governor

BOYD K. RUTHERFORD
Lt. Governor



Maryland

INSURANCE ADMINISTRATION

AL REDMER, JR.
Commissioner

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**TESTIMONY OF
THE
MARYLAND INSURANCE ADMINISTRATION
BEFORE THE
SENATE FINANCE COMMITTEE**

FEBRUARY 19, 2020

**SENATE BILL 527 – HEALTH INSURANCE - POLICY OF GROUP HEALTH INSURANCE -
ASSOCIATIONS**

LETTER OF INFORMATION

Thank you for the opportunity to provide informational comments regarding Senate Bill 527. Senate Bill 527 eliminates the Insurance Commissioner's (Commissioner) authority to regulate out of state Association plans that issue certificates to Maryland residents. By eliminating these provisions, the bill will allow Maryland small employers and residents to purchase multiple employer welfare arrangement plans (MEWA) that are issued out of state, on a large group basis, without providing the benefits mandated by the General Assembly in the small group market. Similarly, the premium rates for such plans will not be reviewed for adequacy¹ by the Commissioner.

Additionally, this bill would allow chambers of commerce and their member company employees to join together for the purpose of obtaining a large group health insurance rate resulting in the migration of a significant percentage of employers from the small group market to a large group association plan. Because the small employer groups with less healthy employees will have a harder time moving to an experience rated, large group association plan, the Maryland marketplace will have a smaller pool of small group plans that are community rated. Such adverse selection in the small group market could cause small group plan rates to increase. The MIA urges the committee's thorough exploration of these issues in consideration of Senate Bill 527.

¹ Section § 11-603 (c) requires that the Commissioner review rates to ensure that they are not excessive, inadequate, or unfairly discriminatory.