

June 20, 2018

BENEFIT CONSULTING GROUP

NEWS BULLETIN

Association Health Plans

On June 19, 2018, the U.S. Department of Labor expanded access to health coverage options for small businesses and their employees through Association Health Plans.

The Department of Labor expanded access to Association Health Plans as a result of President Trump's October 12, 2017 Executive Order "[Promoting Healthcare Choice and Competition Across the United States.](#)"

Association Health Plans work by allowing small businesses, including self-employed workers, to band together by geography or industry to obtain healthcare coverage as if they were a single large employer.

It is believed that Association Health Plans will also be able to strengthen negotiating power with providers due to the larger pool of individuals which they can spread the risk and administrative costs.

By having access to AHPs the small businesses can opt out of many of the Affordable Care Act requirements. However, that means the plan may not offer essential health benefits such as prescription drugs, maternity, mental health, etc. The fewer benefits could result in lower premiums.

Under the rule, AHPs will not be able to charge employers different rates based on the health of their employees.

Trump has always stated that promoting the sale of health insurance across state lines can bring down premiums without sacrificing quality. But many experts aren't convinced because medical costs vary greatly according to geography.

We will continue to provide you with additional information once we clarify the details of the new rule.

The Benefit Consulting Group
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