

United States Senate

WASHINGTON, DC 20510

June 15, 2018

The Honorable R. Alexander Acosta
Secretary
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, D.C. 20210

The Honorable Preston Rutledge
Assistant Secretary
Employee Benefits Security Administration
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, D.C. 20210

Dear Secretary Acosta and Assistant Secretary Rutledge:

We write to urge the Employee Benefits Security Administration at the Department of Labor to expand Association Health Plans (AHPs) to allow more small employers and sole proprietors to band together to provide health coverage.

A final regulation expanding access to AHPs could help three groups of Americans. First, it could help the 11 million Americans and their family members who are uninsured today because they work for a small employer or sole proprietorship that does not offer health insurance. Second, it could provide a new insurance option for the nine million Americans who purchase coverage in the individual market today without a subsidy under Obamacare and cannot afford the unsustainable rate increases that we have seen on the exchanges since the law took effect in 2014. Third, it could provide flexibility for a new insurance option for Americans who today have an offer of coverage through a small employer that does not meet their families' needs.

AHPs can help these Americans by providing a lower cost alternative with the same sort of consumer protections and tax breaks that apply to employees who receive health care insurance from large employers. Employer-provided coverage is approximately \$5000 cheaper per policy for a family of four because of federal tax breaks. Furthermore, when sole proprietors and small businesses join together to purchase as a larger group, employers may reduce their administrative costs, bargain for better deals from insurance companies, and create stable risk pools with more people. These advantages bring down costs for everyone in the AHP.

These plans also include the important patient protections that apply to the roughly 160 million Americans who receive coverage from large employers. An AHP cannot charge a patient a higher premium because they have a pre-existing health condition, deny coverage of a pre-existing health condition, cancel an employee's plan because the employee gets sick or impose annual or lifetime limits on benefit coverage. An AHP must offer coverage to dependent children

up to age 26, if dependent coverage is offered, and must cover preventive health services free of charge to the patient.

Thank you for your attention to this issue. We look forward to continuing to work with you to expand opportunities for Americans to access affordable health insurance options.

Sincerely,



Lamar Alexander
U.S. Senator



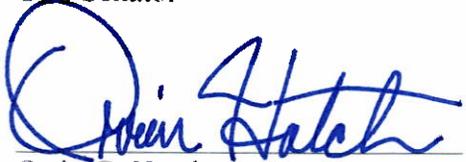
Michael B. Enzi
U.S. Senator



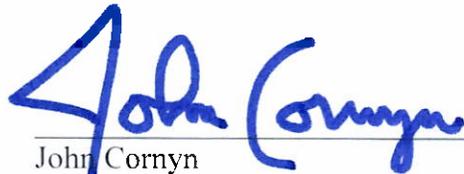
Rand Paul, M.D.
U.S. Senator



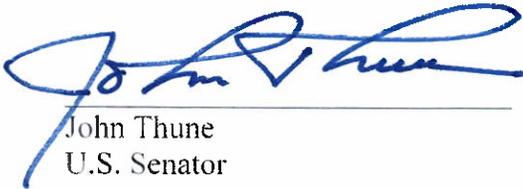
Mitch McConnell
U.S. Senator



Orrin G. Hatch
U.S. Senator



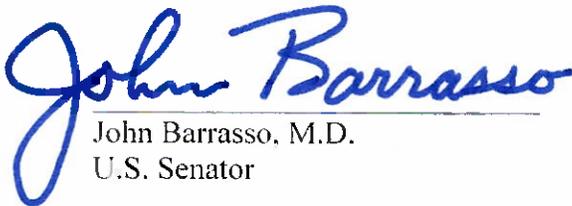
John Cornyn
U.S. Senator



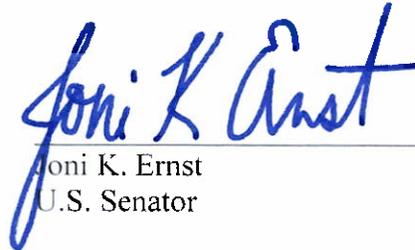
John Thune
U.S. Senator



Roy Blunt
U.S. Senator



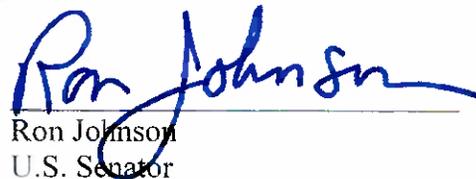
John Barrasso, M.D.
U.S. Senator



Joni K. Ernst
U.S. Senator



Charles E. Grassley
U.S. Senator



Ron Johnson
U.S. Senator



James M. Inhofe
U.S. Senator



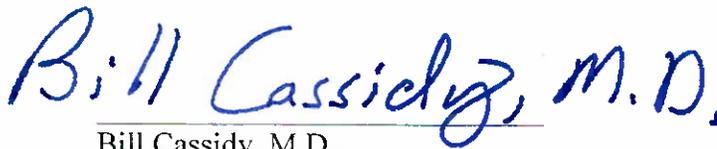
Deb Fischer
U.S. Senator



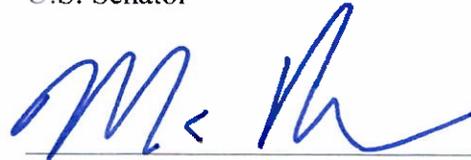
John Boozman
U.S. Senator



Johnny Isakson
U.S. Senator



Bill Cassidy, M.D.
U.S. Senator



Marco Rubio
U.S. Senator



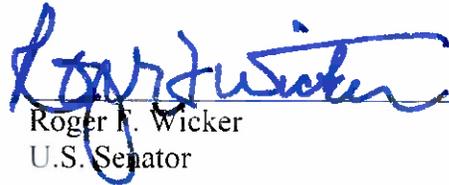
Shelley Moore Capito
U.S. Senator



James Lankford
U.S. Senator



Steve Daines
U.S. Senator



Roger F. Wicker
U.S. Senator



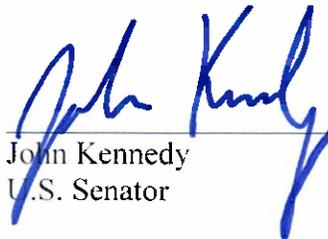
Tom Cotton
U.S. Senator



Dan Sullivan
U.S. Senator



Todd Young
U.S. Senator



John Kennedy
U.S. Senator

A handwritten signature in blue ink that reads "Richard Shelby". The signature is written in a cursive style with a prominent "R" and "S".

Richard Shelby
U.S. Senator

A handwritten signature in blue ink that reads "Dean Heller". The signature is written in a cursive style with a prominent "D" and "H".

Dean Heller
U.S. Senator

A handwritten signature in blue ink that reads "Richard Burr". The signature is written in a cursive style with a prominent "R" and "B".

Richard Burr
U.S. Senator

A handwritten signature in blue ink that reads "Tim Scott". The signature is written in a cursive style with a prominent "T" and "S".

Tim Scott
U.S. Senator