

RESOLUTION

Subject: Association Health Plans
Submitted by: Frank Burns, MD
Referred to: Reference Committee

WHEREAS, Association Health Plans (AHPs), under the Department of Labor's Final Rule, are group health plans that employer groups and associations offer to provide health coverage to employees; and

WHEREAS, the AHP Final Rule allows employers to band together to form associations for the express purpose of offering health coverage if they are either 1) in the same trade, industry, line of business, or profession, or 2) have a principal place of business within a state or metropolitan area, even if the metropolitan area includes more than one state; and

WHEREAS, under the Affordable Care Act (ACA), small businesses of less than 50 employees are not required to offer health insurance to their employees nor are they required to offer health insurance plans that cover all 10 Essential Health Benefits of the ACA; and

WHEREAS, only 55 percent of small businesses with less than 100 employees offer medical benefits to employees; and

WHEREAS, nearly half of all GLMS physician members are in independent practices and many are not able to offer any health insurance benefits to their employees due to the increasing cost of insurance; and

WHEREAS, AHPs can be designed to provide protection against discrimination as they are subject to sections 701 and 702 of ERISA, which prohibit discrimination based on pre-existing conditions and health status; now, therefore, be it

RESOLVED, that the Kentucky Medical Association explore options for their independent small business members to offer health insurance through an Association Health Plan which allows employers to band together to form associations for the express purpose of offering health coverage as long as the plan prohibits discrimination based on pre-existing conditions and health status.