

RESOLUTION

Subject: Patient, Physician and Market Protection from Association Health Plan Effects
Submitted by: Greater Louisville Medical Society
Referred to: Reference Committee

WHEREAS, the highly profitable insurance industry product, Association Health Plans (AHP)(aka Multiple Employer Welfare Arrangements, originally limited to small businesses) are being more broadly promoted , but are strongly opposed by the American Medical Association, American Osteopathic Association, American Academy of Family Physicians, American College of Physicians and other physician or consumer advocacy groups, based on Essential Benefit omissions, coverage caps, discrimination, surprise billings, misrepresentation & fraud, market distortions, insolvency risks and other faults; and

WHEREAS, Essential Benefits omitted most frequently include [% omitted bracketed]: maternity care [100%], mental health care [43%], substance abuse treatment [62%] and outpatient prescription drugs [71%] (in 45 states analyzed by Kaiser Family Foundation in 2018); and

WHEREAS, AHP regulations were substantially restructured by Executive Order of President Trump on 10/12/17 and 2018 Final Rule, including expanded deployment and revoking 3-month duration limits to allow indefinite renewals, which will vastly expand AHP use and harm from benefit limitations; and

WHEREAS, it is unclear if this Federal Executive Order and Final Rule overrides ability of states to protect their citizens and providers with remedies to these AHP faults; now, therefore, be it

RESOLVED, that the Kentucky Medical Association obtain legal opinion to determine whether or not State legislation could protect KY patients, physicians and State insurance markets from the harmful effects of AHPs, or any similar limited-benefit plans, after the Presidential Executive Order of 10/12/17 and 2018 Final Rule, and to advance such legislation in Kentucky, if legally appropriate; and be it further

RESOLVED, that that the KMA request the AMA to develop and legislatively advance programs that allow small businesses to provide their employees with health insurance that is both comprehensive (45 CFR 156 compliant) and affordable, including options for Exchange Policies that receive graduated tax credits or increased deductions scaled according to resources and profitability of the small business.