



COUNCIL FOR AFFORDABLE  
**HEALTH COVERAGE**

April 7, 2025

Congressman Tim Walberg  
2266 Rayburn HOB  
Washington, DC 20515

Dear Congressman Walberg,

The Council for Affordable Health Coverage writes to endorse H.R. 2528, the Association Health Plans Act (AHPA), to empower employers to band together and use their collective strength to negotiate lower premiums and out-of-pocket costs while offering better coverage for their workers at a lower price.

Businesses can no longer bear the skyrocketing cost of coverage, which now totals more than \$25,000 per family every year, an increase of 300 percent since 2002. Twenty years ago, 50 percent of small firms offered health coverage. Today, less than one-third do, primarily due to cost. Association Health Plans would be especially beneficial for small businesses that want to provide health benefits but cannot due to expensive premiums.

While small firms employ more than 90 million Americans, they lack large pools of employees to spread risk, or to reduce the administrative costs associated with offering coverage. One sick person can wipe out profits and potentially sink the company. By allowing these businesses to band together and create new Association Health Plans, firms can create a large risk pool, making it easier to negotiate better prices and reduce premiums by up to 30 percent.

The Department of Labor has concluded ERISA rules treat association arrangements as mere collections of individual plans, subjecting employer members to a complex and costly compliance environment where members may be simultaneously subject to large group, small group, and individual market rules. As a result, current AHPs are limited in their effectiveness to allow businesses to pool risk and offer affordable coverage to workers.

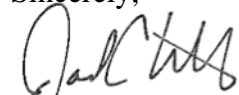
Congress must fix AHPs. A good start would be to pass H.R. 2528 to enshrine AHPs in statute, clarify regulatory authority, and expand AHPs as an option for employers. The bill clarifies the definition of employer, allowing more associations to form nationwide and pool risk to lower premiums. H.R. 2528 also addresses criticisms that AHPs would segment risk and cause premiums to rise for older, sicker workers. Under the legislation, AHPs cannot limit eligibility for coverage based on medical history or health status. Plus, the bill establishes new rules for setting premiums. First, “teaser” rates are not allowed. Premiums must be actuarially fair and

approved by regulators. Second, the bill requires a base premium be set and can only vary for individual members of the group around the base premium. Lastly, AHPs cannot individually underwrite self-employed or individual members of the AHP. These protections are important and will stabilize the small group market, which has been in decline since the enactment of the Affordable Care Act.

The ability of small businesses to offer health plans will help them and the economy grow, create jobs, and expand competition. Association Health Plans give them an edge, providing more robust benefits than Obamacare or Medicaid, at lower out of pocket costs to employees.

To help small businesses nationwide, Congress should pass the AHP Act to expand coverage options, lower health costs, and expand access to affordable coverage.

Sincerely,

A handwritten signature in black ink, appearing to read "Joel White", written over a light blue horizontal line.

Joel C. White  
President

CC:

Ranking Member Robert C. "Bobby" Scott

Members of the Committee on Education and the Workforce