5 Big Things About the DOL’s Proposed Rule on Association Health Plans

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Lawyers and Administrators Meeting
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The first BIG things

1. Rules for multiemployer health plans are not affected
2. AHPs will be easier to form
   ▪ Can form association just for health benefits
   ▪ Nationwide associations for the same industry
   ▪ Regional associations in the same state or metropolitan area
3. AHP coverage may be cheaper, but also likely thinner
   ▪ Small group specific ACA insurance mandates will not apply, e.g., requirement to offer EHBs, modified community rating
The next big things

4. Nondiscrimination rules seek to reduce risk selection
   - Association cannot deny an employer membership based on health status of any employee, former employee, or family members
   - Different employer groups may not be treated as distinct groups of similarly-situated individuals in applying HIPAA nondiscrimination rules

5. States continue to have authority to regulate self-funded AHPs
   - States may subject MEWAs to any state law regulating insurance to the extent “not inconsistent” with ERISA
   - DOL has authority to exempt self-funded MEWAs from state laws
   - DOL cannot exempt MEWAs from state laws that relate to reserve requirements or required levels of contributions
   - DOL has not acted on exemptions, but requested comments
One last thing