

February 21, 2018

Mr. Alexander Acosta
Secretary of Labor
U.S. Department of Labor
900 Constitution Avenue NW
Washington, D.C. 20210

Re: “Definition of Employer under Section 3(5) of ERISA-Association Health Plans”; RIN 1210-AB85 or Docket ID No. 2017-28103 (submitted electronically)

Dear Secretary Acosta:

As a member/owner of a Credit Union Service Organization, I support the proposed regulation to enable small employer groups to participate in Association Health Plans (AHPs). The Department of Labor’s effort is a promising step to providing more affordable insurance options as health care costs continue to rise while choices for coverage are steadily shrinking.

There are approximately 4,000 credit unions in America that have fewer than fifty employees, which represent approximately 90,000 employees. Most of these credit unions belong to their respective state associations. As small group employers, these credit unions have very limited options to gain the scale and insurance cost containment strategies that their larger credit union counterparts have access to. This makes them uncompetitive in their ability to hire top talent while also forcing them to pay more than they should for healthcare. They are forced to purchase insurance in the more volatile small group insurance market, which tends to offer fewer choices at much higher costs. By changing these rules and allowing for small employers to have access to large group health plans, these employers should see lower costs.

Separately, in response to your request for comments on self-funding, I urge you to do all that you can to accommodate self-funded AHPs. Self-funded AHPs give small employers access to the many benefits of self-funding—benefits that large groups have long enjoyed and leveraged. Self-funded AHPs would be free, for example, to design plans that meet their member needs without having to comply with different benefit mandates from state-to-state.

The need for affordable health insurance options remains a top concern among credit union executives, as it is a top three expense item in their organizations. Allowing credit union employers to participate in AHPs could expand access to more affordable health care options and eliminate a significant amount of wasteful spending.

I urge you to finalize the proposed rule with these comments in mind. Thank you for the opportunity to weigh in on this important issue.

Sincerely,

John T. Harris