



Powering Strong Communities

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APPA is a 501(c)(6) trade association representing the interests of the nation's 2,000 not-for-profit, community-owned electric utilities. Public power exists in every state except Hawaii. These utilities collectively serve over 49 million people and account for 15 percent of all electric energy sales (kilowatt-hours) to ultimate customers. In addition to our public power utility members, APPA has more than 240 corporate members that provide products and services to the electric utility industry. These companies range in size from Fortune 500 companies to small, single-person consulting firms.

APPA supports the Department's efforts to allow Association Health Plans (AHPs). Small businesses drive entrepreneurial growth in this nation. Without affordable, accessible health insurance options, small businesses, and the nation's economy, will suffer. AHPs will provide robust health insurance alternatives that will greatly benefit small businesses.

More than 100 of APPA's corporate members are small businesses under federal standards. We see tremendous value in aggregating health insurance coverage under the Association's umbrella because it will increase health insurance options at lower rates for many of our members.

Health insurance is often the biggest expense for a small company. The time and effort spent evaluating and selecting a health insurance plan reduce the time that small companies need to run and grow their businesses. One APPA member, a sole proprietor in the Washington, DC area, has experienced a 52% increase in health insurance premium costs in 19 months, with no correlated change in medical condition. This individual has no dependents yet she pays over \$20,000 annually on health insurance with a \$6,000 deductible. AHPs will allow thousands of companies to lower their health insurance costs and put those savings into innovative pursuits that will drive the American economy.

To make AHPs viable for organizations like APPA, the rule must preempt state health insurance laws (other than those of the AHP's domicile state) and instead allow the AHP to be regulated solely by the state insurance commission of its domicile state. To require an AHP to comply with rate and form filing requirements and other state insurance law requirements in every state in which the AHP has a member/insured would be cost prohibitive. Additionally, Associations must be allowed to organization AHPs under their subsidiaries.

APPA strongly supports the Department's proposal to introduce AHPs. With its national reach, APPA can aggregate health insurance coverage for its members to create increased economies of scale that don't exist today.

Please contact Jeff Haas, Vice President, Membership and Strategic Development, American Public Power Association, with questions at JHaas@PublicPower.org; 202/467-2953.